

BLOUSTEIN SCHOOL POLICY

Policy Name: Post-Award Procedure for Grants and Contracts

Date: December 6, 2007
Updated April 7, 2015

The following is the procedure to be followed once a grant or contract has been awarded from an outside sponsor.

- Receipt of Award
 - The award document is received from the outside sponsor in the form of a contract, a memorandum of agreement, or a memorandum of understanding. If this document is an award letter, and not a contract, the PI should request the sponsor to submit a contract to Rutgers ASAP. If the sponsor does not have a standard contract, the PI should inform the Office of Business Administration and Human Resources (Business Office), and arrangements will be made for Rutgers to send out the University's standard contract to the sponsor.

- Contract Negotiation
 - A contract specialist from the Office of Research and Sponsored Programs (ORSP) or the Office of Corporate Contracts (OCC), depending on the funding source, handles the review/negotiation process.
 - The Business Office serves as the point of contact with ORSP (or OCC) during the negotiation process and follows up as appropriate, keeping the PI informed of the status of the contract.
 - The contract is signed by an authorized official of the University. Most often this authorized official is someone from ORSP or OCC. Large dollar amount contracts require the signature of the University's Associate Vice President for Research Administration. ***Bloustein School faculty and staff are not authorized officials of the University, and therefore are not authorized to sign contracts.***

- Getting an "Advance" Account Number (if needed)
 - NOTE: If the negotiation process is expected to be lengthy, but the PI fully expects that a contract will be awarded, it is recommended that the business manager request an "Advance" account (formerly called a Hold account) through the Institutional Prior Approval System (IPAS) portal, so that expenses can be properly charged as soon as work on the contract begins.

- Getting an Account Number
 - The University receives the "fully-executed" contract (signed by both Rutgers and the sponsor).

- Getting an Account Number (cont'd)
 - The University file is released from ORSP (or OCC) to the Division of Grant and Contract Accounting (DGCA) for the assignment of a grant account number.
 - The Business Office receives a printed Notice of Award from DGCA. A copy of the Notice of Award is given to the business manager assigned to administer the account, and to the PI if the account is managed by the Business Office. The Notice of Award is reviewed for accuracy by the business manager responsible for the account and the Business Office, with particular attention paid to the start and end-dates, the project director name, the total budgeted amount, the F&A Costs budgeted amount, the F&A Costs base, and the sections labeled “Special Conditions” and “Matching Requirements/Cost Sharing”.

- Grant Management - General
 - The PI begins work on the project and starts to charge expenses in accordance with the sponsor-approved budget once the grant account number has been established.
 - The PI is responsible for managing the budget of his/her grant in addition to managing the technical aspect of the project. He/she should keep appropriate records to support the level of effort (and salary costs) being charged to the grant account.
 - The business manager should keep the PI informed of the financial status of the grant account. Financial reports should be provided by the business manager to the PI at least quarterly, though monthly financial reports are preferred, and should be the norm as the grant nears completion. One method of doing this is to prepare an actual vs. budget spreadsheet for the PI’s review based on information contained in the University’s general ledger, and the University’s “shadow system” REX. An example of this type of spreadsheet is provided in Attachment A.
 - Project supplies and services should be ordered through University Procurement Services, and where required, by a competitive bid process.
 - As a general rule, administrative and clerical salaries, telephone costs, postage, office supplies, and memberships should not be charged directly to Federal and State of New Jersey awards. If these costs are to be charged, they must be explicitly budgeted for, and must be specifically identifiable with the project. For more detailed information, visit the DGCA website at the following link ... <http://postaward.rutgers.edu/policies-resources/administrative-and-clerical-costs>
 - It is important to note that if a significant deviation from the budget is anticipated, the PI should submit a written request to the sponsor for approval of a modification to the budget. Sponsor approval should be obtained prior to incurring the unbudgeted expense(s). The definition of significant varies from contract to contract, though a general guideline is line-item budget variances greater than 10% of the budgeted amount need sponsor approval.

- Grant Management – General (cont'd)
 - No-cost extension requests should be submitted to the sponsor for approval at least 60 days prior to the grant end-date when it is anticipated that the work will not be completed by that end-date. The procedure for requesting budget modifications and no-cost extensions is documented separately.
 - The PI is solely responsible for submitting the appropriate technical reports to the sponsor on a timely basis. Copies of all technical reports should be provided to the Business Office (an electronic copy is fine, particularly if the report is a large one). The timely submission of these reports is important, as quite often, sponsors will refuse to pay invoices for expenses incurred because they have not received the PI's technical report. The Business Office should be notified if a technical report is going to be late.
- Grant Management - Subcontracts on Grants
 - Subcontracts are issued to non-Rutgers entities to perform specific task(s) related to the project.
 - A purchase order is established for the subcontract, which includes the fully-executed agreement, a statement of the work being performed by the subcontractor, an itemized budget for that work, and a payment schedule.
 - Subcontracts require a PI at the subcontractor entity.
 - Invoices from the subcontractor should be submitted in the detailed format outlined in the subcontract agreement. These invoices must be certified (signed) by an authorized official of the subcontractor entity, and also by the PI at the subcontractor entity.
 - Subcontractor invoices should be approved by the Rutgers PI prior to payment. Rutgers PIs are responsible for overseeing the work of the subcontractors, and should make sure that subcontractors submit their invoices in the proper format, in a timely fashion, and on a regular basis so that the sponsor is paying for the subcontractor's work as it is being done. This will also facilitate the timely closeout of the award at its end-date.
- Invoices to Sponsors
 - Invoices for costs incurred are sent to the sponsor by the Division of Grant and Contract Accounting (DGCA). Most invoicing for Federal awards is done by an electronic drawdown of funds process.
 - Invoicing is usually done quarterly, based on expenses posted to the University's general ledger. Some grants are invoiced monthly, and some are invoiced according to a pre-determined schedule based on the completion of project "tasks". The frequency and basis of invoicing is specified in the contract.
 - Collection of unpaid invoice amounts is the responsibility of DGCA, though occasionally PIs are asked to follow up personally on amounts that are past-due.

- Grant Account Close-out
 - All business managers are responsible for working closely and professionally with their DGCA grant accountant to ensure a timely closeout of the grant.
 - It is important that the business manager confirms the total expenses of the grant, making sure that his/her total expenses amount agrees with the amount determined by the grant accountant in DGCA. The proper way to do this is to review the grant accountant's final spreadsheet for the account and make sure that it agrees with the independent records being kept by the business manager. This reconciliation and confirmation should be done in a timely manner in order to facilitate the preparation of the final invoice to be sent to the sponsor by DGCA.
 - DGCA will process any needed 'budget allotment credits' to the account to reduce the budget to the amount of total expenses.
 - Any remaining commitments should be closed once there is agreement on the final total expenses amount. This should be done as soon as possible in order to assist DGCA in bringing of the account balance to zero in a timely fashion.
- PI Changes and Grant Transfers
 - If for any reason an internal change in the PI on a project is required, ORSP should be notified of the intended transfer through the submission of a completed ORSP Departmental Grant Transfer Request Memo, signed by both PIs, as well as by Dean Hughes. In addition, a change in PI request letter should be sent to the sponsor ASAP to obtain sponsor approval of this change. This request letter should be co-signed by an ORSP official. Additional information is available on the ORSP website ... <http://orosp.rutgers.edu/transfer-forms>
 - If the PI for a project is leaving Rutgers and the grant is being transferred to another institution, the business manager should work with the ORSP grant specialist to facilitate the transfer. Additional information can be found at this link ... <http://orosp.rutgers.edu/transfer-grant-or-contract-rutgers>
 - Similarly, if the PI for a project is coming Rutgers and the grant is being transferred to Rutgers from another institution, the business manager should work with the ORSP grant specialist to facilitate the transfer. Additional information can be found at this link ... <http://orosp.rutgers.edu/transferring-grants-another-institution>

4-31234 - US Department of Redundancy Department

Knucklehead Study (Professor Moe Howard)

Contract Dates: January 1, 2014 to June 30, 2015

ACTUAL vs BUDGET REPORT	Budget	Paid as of 4/7/2015	Pending	Total Spent	Budget Remaining
Personnel:					
12000 Moe Howard, Principal Investigator	\$72,000	\$60,400	\$12,500	\$72,900	(\$900)
Larry Fine, Co-PI	36,000	31,500	3,800	35,300	700
Bud Abbott, Staff Researcher	24,000	17,000	7,000	24,000	0
Lou Costello, Staff Researcher	12,000	9,200	2,600	11,800	200
12300 Wages of Labor (Jerry Seinfeld)	10,000	7,300	2,300	9,600	400
12500 Student Wages (Bill Burr)	3,000	3,200	200	3,400	(400)
12600 Class 3 Salaries (Ellen Degeneres)	5,000	3,300	500	3,800	1,200
12900 Other Compensation (Chris Rock)	3,000	3,800	300	4,100	(1,100)
13500 Summer Salary (Dom Irrerra)	15,000	14,600	0	14,600	400
13700 Post-Doctoral Associate (Eddie Murphy)	30,000	24,400	4,500	28,900	1,100
15000 Graduate Assistant (Groucho Marx)	8,000	7,900	0	7,900	100
Total Personnel	\$218,000	\$182,600	\$33,700	\$216,300	\$1,700
17100 Fringe Benefits - Calculated	81,410	55,465	10,049	65,514	15,895
17110/17120 Fringe Benefits - FICA and Medicare	0	13,650	2,563	16,213	(16,213)
Total Personnel/Fringe Benefits	\$299,410	\$251,715	\$46,312	\$298,027	\$1,382
21900 Project Supplies	\$700	\$500	\$150	\$650	\$50
22400 Equipment < \$5,000	8,000	6,300	1,600	7,900	100
31700 Publication Services (Printing)	2,000	820	1,500	2,320	(320)
32400 Business Meetings	3,000	2,200	500	2,700	300
35200 Travel/Meals	5,000	5,500	300	5,800	(800)
35900 Conference Registration Fees	600	500	200	700	(100)
82200/82300 Tuition Remission	6,000	5,400	0	5,400	600
Total Other Direct Costs	\$25,300	\$21,220	\$4,250	\$25,470	(\$170)
Facilities and Administrative Costs @ 55% *	175,290	147,145	27,809	174,954	337
Total Costs	\$500,000	\$420,079.92	\$78,371	\$498,451	\$1,549

FOOTNOTE: THIS REPORT IS FOR INTERNAL USE ONLY. IT IS NOT TO BE USED AS AN OFFICIAL UNIVERSITY REPORT.

*** F&A Costs are applied to Modified Total Direct Costs (MTDC), so F&A is NOT calculated on Tuition Remission.**

<u>Fringe Benefits Reconciliation - FY 14</u>	<u>Base</u>	<u>Rate</u>		<u>Fringe</u>
Regular Salaries - 12000	48,300.00	42.20%	excl FICA/Med	20,382.60
Wages of Labor - 12300	5,000.00	0.00%	excl FICA/Med	0.00
Student Wages - 12500	2,800.00	0.00%		0.00
Class 3 Salaries - 12600	2,000.00	42.20%	excl FICA/Med	844.00
Other Compensation - 12900	800.00	0.00%	excl FICA/Med	0.00
Summer Compensation - 13500	14,600.00	0.00%	excl FICA/Med	0.00
Post-Doctoral Associate - 13700	9,000.00	41.50%	excl FICA/Med	3,735.00
Graduate Assistant - 15000	7,900.00	30.80%		2,433.20
Total FY 2014	90,400.00			27,394.80

<u>Fringe Benefits Reconciliation - FY 15</u>	<u>Base</u>	<u>Rate</u>		<u>Fringe</u>
Regular Salaries - 12000	69,800.00	32.78%	excl FICA/Med	22,880.44
Wages of Labor - 12300	2,300.00	0.00%	excl FICA/Med	0.00
Student Wages - 12500	400.00	0.00%		0.00
Class 3 Salaries - 12600	1,300.00	32.78%	excl FICA/Med	426.14
Other Compensation - 12900	3,000.00	0.00%	excl FICA/Med	0.00
Summer Compensation - 13500	0.00	0.00%	excl FICA/Med	0.00
Post-Doctoral Associate - 13700	15,400.00	30.95%	excl FICA/Med	4,766.30
Graduate Assistant - 15000	0.00	26.90%		0.00
Total FY 2015	92,200.00			28,072.88
Total 4-31234	182,600.00			55,467.68