Stages for Setting Up an Externally Funded Project

Setting Up Your Project

PI Notification

As soon as the agreement is reached with the sponsor, OSP will prepare an Award Approval Form (AAF). The AAF will summarize contractual and budgetary information, payment terms, and other important conditions.

OSP will notify the PI once the award approval form is ready via email, to review the award approval form, including all requirements and restrictions and provide their approval. If there are any questions, the PI may contact OSP for assistance and explanation at any time.

Generally, the award approval form will include the following information:

- PI name
- Award title
- Sponsor name
- Award period of performance
- Award amount
- Indirect cost rate
- Sponsor award number
- Payment method
- Detailed budget that matches the sponsor award amount

When the PI approves the award approval form, OSP will send it to the center director or department chair, dean, and the Provost to sign indicating their approval.

Grant Account Set Up

AUC is currently using the Projects System under SAP to manage all externally funded programs. The Projects System uses Work Breakdown Structure (WBS) Elements. Each WBS element represents a line item or a group of line items in your budget.

Once an award has been accepted, a WBS number is established by OSP and grants accounting services to allow expenditures to be incurred. This signifies that the fund is active under the management of OSP and is subject to restricted use as determined by the award terms and AUC policies and procedures. Once notified of WBS numbers, PIs may charge allowable project expenses against the account within the start and end date and purposes justified in the proposal budget. To ensure efficient management for the budget, the Principal Investigator Support Unit (PISU) or department staff member(s) handling the project will have access to SAP.

Announcing the Award

Following obtaining all internal approvals on the award approval form, OSP will distribute a document titled "Award Summary."

PIs and their associated administrator will be provided with a fully executed copy of the signed award/agreement for their records.

Managing the Award

To accomplish the technical goals of the project and comply with the financial and administrative policies and regulations associated with the award, the PI will work with the Office of Sponsored Programs, the Principal Investigator Support Unit (PISU), and the Grants Accounting Office (GAS) to assist them with the management of project funds. Along the process, the PI keeps the department chair, and dean aware of the progress.

Subaward

If a grant is issued to AUC and work is to be performed at another institution, a subaward may need to be issued.

The Office of Sponsored Programs is responsible for issuing subawards from prime agreements (contract, grant, or cooperative agreement) awarded to the university. Under a subaward, a subrecipient generally performs tasks that are considered substantive programmatic work. The PI of the prime grant (the lead/contracting partner) is the individual primarily responsible for monitoring the programmatic and financial performance and progress of a subaward. Please view the PI responsibilities under a subaward here.

Award Modifications

During the life of an award, changes take place that require action. OSP is available to assist when changes to the award are needed.

- Budget modification requiring sponsor approval
- No cost extension requiring sponsor approval
- A change in the scope of work
- A change in PI
- Extra service requests
- New Subaward
- Carry forward requests
- Absence of PI

Budget Modification and Reallocation of Funds

In case a budget modification is needed, OSP formally submits an updated budget to the sponsor with a justification for the change and the anticipated impact, if any, on the conduct of

the work. In case a sponsor does not require an official request when a rebudget takes place, PI should contact OSP as soon as budget modifications are needed and before the implementation, allowing OSP to review budget revisions to ensure compliance to university policies, and sponsor requirements and seek the sponsor's approval. Once all necessary approvals are secured OSP will forward the change to GAS to implement it internally in SAP.

Budget modification is needed if the below changes take place:

- Reallocation between line items
- Removal or addition of line items
- Reduction or increase in the total amount of the budget

To begin your budget modification procedure, please start by contacting OSP to request the budget change. Upon your request, the award officer will provide you with a guiding form to fill in the budget changes required using the last sponsor-approved budget.

The budget modification request should be as detailed as possible to justify the change. . Insufficient data and/or inadequate explanations/justification may lead to the request being rejected.

When OSP receives approval for the budget modification request from the sponsor, OSP will distribute an "award summary change" to the PI, GAS, PISU and the other support offices. OSP and GAS will implement this change in SAP.

In the case the Award Summary allows line-item flexibility, the PI may communicate his/her rebudgeting needs to the PISU/GAS. Such rebudgeting must be in accordance with the line-item flexibility allowed in the Award Summary.

Project Duration Extension (No-Cost Extension)

If it is necessary to extend the project duration, without requesting additional funds, to complete the project, such requests must be submitted by OSP to the sponsor for approval. Different procedures may be used depending on the type of award and sponsor.

Upon notifying OSP with your extension request, the responsible award officer will provide you with a guiding form, if needed, to justify the no-cost extension, the extension time needed, and how the remaining funds will be spent. If the extension requires a budget modification, you will need to follow the steps mentioned in the budget modification section above.

Additional information may be necessary, depending on the sponsor's requirements. Extension requests should be sent at least 30 days before the scheduled termination (time period may vary depending on the sponsor's requirements).

Reporting

Requirements for project technical and financial reports are set by sponsors. These types of reports are typically required. The Award Summary will state all reporting requirements

including the reporting frequency. OSP sends monthly reminders to the PI and GAS to notify them of upcoming reporting due dates.

Technical reports – Most sponsors require periodic progress reports, quarterly, bi-annually, annual progress reports and a final technical report. Principal Investigators are responsible for preparing these reports. OSP staff will transmit them to sponsors on the investigator's behalf. As part of the requisite official grant record, the Principal Investigator must file a copy of all reports with OSP. These records are reviewed as part of our annual audit.

Financial reports - The Grant accounting Services (GAS) officer assigned to the project prepares the financial report based on the expenditures recorded in the account. Principal Investigators have the opportunity to review and approve the financial report before official submission by OSP to the funding agency.

Federal regulations and other sponsored funds require an effort report to support and document salary charges to federal grants and contracts. PISU, if involved in the management of the grant, will prepare the official "Time and Effort Report" for each person working on the project. Project employees must sign the form along with the PI. The PI's form certifying your effort must be signed by the Center Director or School Dean.

Completion and Closeout

Award completion is the final reconciliation and reporting of project expenses and activities. Sponsor terms and conditions may require deliverables such as a final report for OSP to receive final payment.

Closeout activities may include reviewing project expenditures, resolving open commitments, collecting subrecipient documents, preparing final reports for submission to the sponsor, and account/award closeout.

To facilitate a timely closeout, OSP recommends reviewing project details at 90, 60, and 30 days prior to the project end date. If a no-cost extension is needed, contact your OSP award officer to begin the request process.

Items for review during closeout:

- All expenditures have been posted (including charges from recharge centers, subawards, purchasing cards, travel reimbursements, tuition, salaries & wages, etc.).
- Final invoices from subrecipients have been received.
- Final payment has been received.
- Final expenditures reported to the sponsor match the total expenditures.
- All unallowable charges have been removed.
- Staff have been terminated or moved to other funding sources.
- Outstanding encumbrances have been liquidated.

- Accounts are not over-spent and deficit balances have been cleared.
- Cost share obligations have been met.
- Project deliverables have been met (including subrecipient deliverables).
- Final technical/scientific reports have been submitted.

Once a final report is submitted to the sponsor, you cannot get reimbursed for additional costs. It is critical that all project-related costs be charged to the project area/organization before the final report is submitted.

OSP will prepare the Close Out form which is then transmitted to you, the Office of Budget and Planning, and GAS.

To formalize the assignment and accountability of residual funds from Expired Fixed Price and Cost Reimbursement Awards, please refer to Expired grants fund procedures.