

BLOUSTEIN SCHOOL POLICY

Policy Name: Post-Award Procedure for Grants and Contracts

Date: December 6, 2007

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 School 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 Liaison and Technology Transfer (OCLTT), (depending on the funding source) handles the review/negotiation process.
 - The Business Office serves as the point of contact with ORSP (or OCLTT) 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 OCLTT. Large dollar amount contracts require the signature of the University's Senior Vice President for Administration and CFO. ***Bloustein School faculty and staff are not authorized officials of the University, and therefore are not authorized to sign contracts.***

- Getting an Account Number
 - The University receives the "fully-executed" contract (signed by both Rutgers and the sponsor).
 - The University file is released from ORSP (or OCLTT) 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. A copy of the Notice of Award is given to the business manager responsible for the account, or to the PI if the account is managed by the Business Office.

- Getting an Account Number (cont'd)
 - The Notice of Award is reviewed for accuracy by the business manager responsible for the account and the School 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 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.
 - The business manager of the center managing the grant (or the School Business Office) keeps the PI informed of the financial status of the grant account.
 - Financial information should be provided to the PI 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 monthly reports and the School’s internal “shadow” system, FACS. An example of this type of spreadsheet is provided in Attachment A.
 - Project supplies and services should be obtained through the Rutgers Purchasing Department, 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 http://postaward.rutgers.edu/OMBA21_changes.htm
 - 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.

 - 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.

- Grant Management – General (cont'd)
 - 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 School Business Office (an electronic copy if 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 School 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, and an itemized budget for that work.
 - 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, and also to 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).
 - 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 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
 - Center business managers are responsible for working closely and professionally with the DGCA grant accountant to insure a timely closeout of the grant.

- Grant Account Close-out (cont'd)
 - 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 his/her numbers. This 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.
 - If you are still receiving monthly Rutgers printouts for a grant several months after the final expenses have been reconciled, you should check with the grant accountant in DGCA to make sure that there isn't a problem with the close out process.
- 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 Internal 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. This request letter should be co-signed by an ORSP official.
 - If the PI for a project is leaving Rutgers and the grant is being transferred to another institution, the business manager (or Business Office) should work with the ORSP grant specialist to facilitate the transfer.
 - If the PI for a project is coming Rutgers and the grant is being transferred from another institution, the business manager (or Business Office) should work with the ORSP grant specialist to facilitate the transfer.
 - Detailed information on grant transfers is available on ORSP's website. The link is http://orsp.rutgers.edu/Policies/investigator_transfers.php

4-2XXXX - US Department of Redundancy Department

Knucklehead Study (Professor Moe Howard)

Contract Dates: January 1, 2007 to June 30, 2008

ACTUAL vs BUDGET REPORT	Budget	Paid as of 10/31/2007	Pending	Total Spent	Budget Remaining
Personnel:					
Moe Howard, Principal Investigator	\$72,000	\$41,750	\$2,974	\$44,724	\$27,276
Larry Fine, Co-PI	36,000	22,360	1,492	23,852	12,148
Bud Abbott, Staff Researcher	24,000	14,200	610	14,810	9,190
Lou Costello, Staff Researcher	12,000	9,150	325	9,475	2,525
Wages of Labor (Stan Laurel)	10,000	7,000	250	7,250	2,750
Wages of Labor (Oliver Hardy)	5,000	3,200	200	3,400	1,600
Student Wages (Jerry Seinfeld)	700	2,972	425	3,397	(2,697)
Other Compensation (Chris Rock)	0	3,696	300	3,996	(3,996)
Summer Salary (Howard)	15,000	14,558	0	14,558	442
Summer Salary (Fine)	15,000	14,990	0	14,990	10
Graduate Assistant (Groucho Marx)	7,865	7,865	0	7,865	0
Total Personnel	\$197,565	\$141,741	\$6,576	\$148,317	\$49,248
<i>Fringe Benefits</i>	<i>50,229</i>	<i>32,352</i>	<i>1,796</i>	<i>34,148</i>	<i>16,081</i>
Total Personnel/Fringe Benefits	\$247,794	\$174,093	\$8,372	\$182,465	\$65,329
Computer Supplies	\$350	\$0	\$50	\$50	\$300
Equipment < \$5,000	2,400	2,027	0	2,027	373
Supplies/Project Supplies	600	779	0	779	(179)
Telephones - Tolls	600	122	45	167	433
Subscriptions	300	0	0	0	300
Memberships	200	105	0	105	95
Printing/Copy Costs	1,700	820	0	820	880
Postage	300	0	25	25	275
Travel/Meals	1,000	175	300	475	525
Conference Registration Fees	600	0	300	300	300
Student Fees	0	586	0	586	(586)
Tuition Remission	6,000	5,389	0	5,389	611
Total Other Direct Costs	\$14,050	\$10,003	\$720	\$10,723	\$3,327
<i>Facilities and Administrative Costs @ 54.5% *</i>	<i>138,156</i>	<i>96,538</i>	<i>4,955</i>	<i>101,494</i>	<i>36,662</i>
Total Costs	\$400,000	\$280,633.76	\$14,048	\$294,681	\$105,319

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

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

F&A Costs rate was 54.0% for FY 2007 (1/1/07 to 6/30/07). Rate increased to 54.5% as of 7/1/2007. MTDC = \$107,500 as of 6/30/07.

Fringe Benefits Reconciliation - FY 07

	<u>Rate</u>	<u>Base</u>	<u>Fringe</u>
1200	34.00%	72,020.00	24,486.80
1230	9.00%	5,000.00	450.00
1250	0.00%	2,450.00	0.00
1290	7.50%	2,596.00	194.70
1350	0.00%	0.00	0.00
1500	21.00%	7,865.00	1,651.65
Total FY 2007		89,931.00	26,783.15

Fringe Benefits Reconciliation - FY 08

	<u>Rate</u>	<u>Base</u>	<u>Fringe</u>
1200	32.50%	15,440.00	5,018.00
1230	9.00%	5,200.00	468.00
1250	0.00%	522.00	0.00
1290	7.50%	1,100.00	82.50
1350	0.00%	29,548.00	0.00
1500	19.50%	0.00	0.00
Total FY 2008		51,810.00	5,568.50
Total 4-2XXXX			32,351.65