

IOWA STATE UNIVERSITY

***SPONSORED PROGRAMS
ACCOUNTING***

***POSTAWARD FINANCIAL
PROCEDURES MANUAL***

Revised January 2025

**SPONSORED PROGRAMS ACCOUNTING
POST AWARD FINANCIAL MANAGEMENT TOPICS
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The Sponsored Programs Accounting Office is organized by cost center. For a listing of the cost center by SPA Accountant, please refer to SPA's website. <http://www.controller.iastate.edu/spa/homepage.html>

TYPES OF AWARDS

Sponsored programs are projects originating from financial agreements between the University and external sponsors that provide support to accomplish a particular objective. These financial agreements can be in the form of a grant, contract, cooperative agreement, or gift. The difference between these financial instruments is defined by their principal purpose.

- ◆ Grants accomplish a particular objective without substantial involvement from the sponsor.
- ◆ Contracts accomplish a particular objective or service for the direct benefit of the sponsor.
- ◆ Cooperative agreements accomplish a particular objective with substantial involvement from the sponsor.
- ◆ Gifts may or may not accomplish a particular objective but, more importantly, do not have any involvement or expectations from the sponsor. As of 12/16/03, all gifts are to be processed through the ISU Foundation.

Key Information

The Sponsored Programs Accounting Office expects every award document to contain key information. To help us administer your award and prevent delays in the setup process, please make sure the key fiscal information shown below is included in every agreement, award letter, or memorandum of understanding your department receives.

- Beginning (start) date and ending date for the project
- Specific dollar amount
- Payment terms and conditions:
 - Cost reimburseable or fixed price?
 - Billable monthly, quarterly, or at termination?
 - Due dates for fixed payments
- Mailing and e-mail address for sending invoices to sponsor
- Name and phone number of sponsor's fiscal contact

Another important item to note is the source of funding. In particular, it is important to note if the sponsor is a **federal agency** or is an institution passing along the funding they have received from a federal agency, also called **federal flow-through funds**. This distinction (federal vs. non-federal source) becomes very important as we go through the postaward process.

ACCOUNT NUMBER ASSIGNMENT

All sponsored program account numbers begin with AWD- and are automatically assigned in Workday.

Each sponsored program account number, also referred to as an Award number (AWD-XXXXXX), will have an award line and a corresponding grant worktag that is associated with that award line. A grant worktag will be in a format of GR-XXXXXX-XXXXX.

An Award may have multiple grant worktags. Multiple grant worktags may be requested for an award when it is desired that PIs have separate spending accounts. The Sponsored Programs Accounting Office may also require multiple grant worktags if the sponsor imposes unusual financial reporting requirements or issues different indirect cost rates. Sponsored Programs Accounting will also set up any subcontract as a new grant line. If cost share is required on an award, a separate grant line will be created allowing that worktag be added to expenses flagging it as such.

When an additional award line is needed, a Secondary Award Line request form must be completed and returned to OSPA. This form can be found on OSPA's website at <https://www.ospa.iastate.edu/forms> under Secondary Award Line Form.

Example of an award with multiple grant worktag:

AWD-007183-00001 – Researching Art in Schools

This award has one co-PI for which the PI has requested a separate award line.

PI – Mindy Stensland

Co-PI – Erin Johnson

GR-007183-00001 – Stensland – Researching Art in Schools

GR-007183-00002 – Johnson - Researching Art in Schools

The Sponsor requires ISU to track and report the spending of three projects within the award separately, so three additional lines are established.

GR-007183-00003 – Proj 1 - Stensland – Researching Art in Schools

GR-007183-00004 – Proj 2 - Stensland – Researching Art in Schools

GR-007183-00005 – Proj 3 - Stensland – Researching Art in Schools

This award also has participant support costs with 0% IDC and spending restrictions, a separate grant worktag is established for both of those reasons.

GR-007183-00006 – PSC - Stensland – Researching Art in Schools

This award also has a subcontract agreement with University of Crayola which will be set up as a separate grant worktag.

GR-007183-00007 – SUB – Univ of Crayola - Stensland – Researching Art in Schools

The award also has required cost share (Cost Share Worktags use 09999 as last 5 digits)

GR-007183-09999 – CS - Stensland – Researching Art in Schools

HOW TO READ AN AWARD IN WORKDAY

Overview Screen:

This is the main screen when entering the award number in the search field, AWD-007183

AWD-007183-00001: Researching Art in Schools 09/01/2012 (version 1)

Sponsor Award Reference Number: IIP1238335	Sponsor Direct Cost / Sponsor Facilities And Administration: 824,570.00 / 284,520.00	Award Contract Dates: 07/01/2019 - 12/31/2021
Sponsor: NSF-NATIONAL SCIENCE FOUNDATION	Cost Share Total: 194,331.00	CFDA Number: 47.041 - Engineering
		Proposal ID: GS-121554

Overview | Award Lines | Budget | Award Tasks | Billing & Receivables | Subawards | Additional Data | Additional Reports | Amendments | Set Up & History

Summary | Sponsor | Funding Details | Special Conditions | NSF Code Allocation | Proposal | Notes | Award Credits

Company: Iowa State University	Award Status: Approved	Federal Award Id Number: 1238335				
Name: Researching Art in Schools	Version: 1	CFDA Number: 47.041 - Engineering				
Description: (empty)	Version Status: Award In Effect	CFDA Description: Engineering				
Award Lifecycle Status: Open	Turn on the new tables view <input type="checkbox"/>	Institutional Id: 007183-00001				
Sponsor Award Reference Number: IIP1238335	1 Item <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Billing Schedule</th> <th>Schedule Status</th> </tr> </thead> <tbody> <tr> <td>BILLING_SCHEDULE-LOC-AWD-007183</td> <td>Approved</td> </tr> </tbody> </table>	Billing Schedule	Schedule Status	BILLING_SCHEDULE-LOC-AWD-007183	Approved	Organizations for Award: Business Unit: BU54 VP Research Cost Center: CC6100 VPR Center for Excellence in Arts and Humanities
Billing Schedule		Schedule Status				
BILLING_SCHEDULE-LOC-AWD-007183	Approved					
Award Date: 09/01/2012		Award Group: (empty)				
Award Signed Date: (empty)		Award Contract Owner: Andrew Combs				
Award Type: Grant						
Purpose Code: Research						

Award Calendar

Award Schedule: AWD-007183; IIP1238335

Contract Start Date: 07/01/2019

Contract End Date: 12/31/2021

The top portion of the screen shows you the summary information for the award.

AWD-007183-00001: Researching Art in Schools 09/01/2012 (version 1)

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		Proposal ID: GS-121554

The next section shows the overall information on the award and gives different tabs/sections that can be clicked on for further detail (award lines, budget, award tasks, etc.)

AWD-007183-00001: Researching Art in Schools 09/01/2012 (version 1)

Sponsor Award Reference Number: IIP1238335	Sponsor Direct Cost / Sponsor Facilities And Administration: 824,570.00 / 284,520.00	Award Contract Dates: 07/01/2019 - 12/31/2021
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Award Signed Date: (empty)		Award Contract Owner: Andrew Combs				
Award Type: Grant						
Purpose Code: Research						

The last section of the main screen shows you the award dates, referred to as the contract start and end date.

Award Calendar

Award Schedule [AWD-007183; IIP1238335](#)

Contract Start Date 07/01/2019

Contract End Date 12/31/2021

Award Lines Section:

The award lines section will break down further detail on the different grant worktags associated with the award. There are three sections associated with award lines: award lines overview, award line summary and award lines. The award lines section gives the best detailed information for reviewing an award line and its associated grant worktag. Every award line will have an associated grant worktag. The award section will show the award line and the corresponding grant worktag associated with that grant worktag. This section will give detail on what the grant worktag is for (co-PI grant worktag, subcontract grant worktag, etc.) as given in the list of types of multiple worktags above.

You can see from this example this award has 8 associated award lines. We will go through each one in detail (co-PI, additional reporting requirements per sponsor, participant support cost (PSC), subcontractor (SUB) and cost share (CS)). The list of award lines are listed on the left of this screen.

Overview
Award Lines
Budget
Award Tasks
Billing & Receivables
Subawards
Additional Data
Additional Reports
Amendments
Set Up & History

Award Lines Overview
Award Line Summary
Award Lines

Authorized Amount 1,109,090.00
Entered Line Amount 1,109,090.00

Click here to sort

GR-007183-00001	580,803.84	1	Stensland - Researching Art in Schools
GR-007183-00002	21,976.79	2	Johnson - Researching Art in Schools
GR-007183-00003	199,995.00	3	Stensland - Researching Art in Schools
GR-007183-00004	43,000.00	4	Stensland - Researching Art in Schools
GR-007183-00005	62,749.00	5	Stensland - Researching Art in Schools
GR-007183-00006	6,064.37	6	PSC-Stensland - Researching Art in Schools
GR-007183-00007	194,501.00	7	SUB - PSU - Stensland - Researching Art in Schools
GR-007183-09999	CS-0.00	9999	Stensland - Researching Art in Schools

Award Lines

Award Line	Award Line	Line Number	Billed Amount	(331.61)	Line Status	Active
Line Item Details						
Company	Iowa State University	Current Rate	48.00%			
Line Type	Cost Reimbursable	Rate Agreement	Sponsor Limited Rate - MTDC 48% (07/01/2012)			
Primary	Yes	Basis Type	MTDC			
Grant	GR-007183-00001 Stensland-Researching Art in Schools	Object Class Set	ISU Object Class Set			
Line Amount	580,803.84	Cost Rate Type	On Campus Organized Research			
Revenue Category	RC10176 Federal Grants and Contracts	Exception	(empty)			
Award Line Lifecycle Status	Open	Revenue Allocation Profile	100% Undistributed			
Spend Restriction	(empty)	Basis Limit	(empty)			
Line Item Description	PRIMARY AWARD; 4206225					
Deferred Revenue	No					
Line CFDA Number	47.041 - Engineering					
Line CFDA Description	Engineering					
Facilities And Administration						
From Date	(empty)					
To Date	(empty)					
Memo	07/01/2019 - 12/31/2021					
*Fund	FD12 Current Restricted Sponsored Funds - Federal/Federal Flow Through					
Cost Center	CC6100 VPR Center for Excellence in Arts and Humanities					
Business Unit	BU54 VP Research					
Function	Sponsored Research					
Assignee	Stensland, Mindy					
ISU Resource Type	IRT1138 RSFFED-Restricted Sponsored Funding Federal					
Field Number	(empty)					
Additional Worktags	(empty)					
Subrecipient	(empty)					
Line Federal Award Id Number	(empty)					

The first award line for this example is the **Primary Award Line**. The detail for the award line can be found in each section.

Line Item Details gives specific details to the type of award (cost reimbursable in this example), if this is the primary award line, the driver grant worktag, the line amount, the lifecycle status and any related CFDA information. **The grant worktag reflects the PI - Award Title**

Facilities and Administration section shows the F&A rate for the line and the cost rate type.

Additional Information section will show you the dates for the award line and the related worktags associated with the grant worktag. It is important to note that related worktags cannot be changed once they are established. If a related worktag **MUST** be changed this will result in a new award line with a new grant worktag reflecting the updated worktags. The incorrect award line will be marked inactive and no longer be used. Any existing costing allocations, requisitions, etc. using that grant worktag will error out.

The grant worktag is what is used to charge the award. Each award line has an associated grant worktag.

Award Lines		Line Number	Billed Amount	Line Status	Active
GR-007183-00001 Stensland - Researching Art in Schools	580,803.84	1	(331.61)		
Award Line AWD-007183-00001 RC10176 Federal Grants and Contracts (Line 1)					
Line Item Details	Facilities And Administration		Additional Information		
Company	Iowa State University	Current Rate	48.00%	From Date	(empty)
Line Type	Cost Reimbursable	Rate Agreement	Sponsor Limited Rate - MTDC 48% (07/01/2012)	To Date	(empty)
Primary	Yes	Basis Type	MTDC	Memo	07/01/2019 - 12/31/2021
Grant	GR-007183-00001 Stensland-Researching Art in Schools	Object Class Set	ISU Object Class Set	*Fund	FD12 Current Restricted Sponsored Funds - Federal/Federal Flow Through
Line Amount	580,803.84	Cost Rate Type	On Campus Organized Research	Cost Center	CC6100 VPR Center for Excellence in Arts and Humanities
Revenue Category	RC10176 Federal Grants and Contracts	Exception	(empty)	Business Unit	BUS4 VP Research
Award Line Lifecycle Status	Open	Revenue Allocation Profile	100% Undistributed	Function	Sponsored Research
Spend Restriction	(empty)	Basis Limit	(empty)	Assignee	Stensland, Mindy
Line Item Description	PRIMARY AWARD, 4206225			ISU Resource Type	IRT1138 RSFFED-Restricted Sponsored Funding Federal
Deferred Revenue	No			Field Number	(empty)
Line CFDA Number	47.041 - Engineering			Additional Worktags	(empty)
Line CFDA Description	Engineering			Subrecipient	(empty)
				Line Federal Award Id Number	(empty)
GR-007183-00002 Johnson - Researching Art in Schools	21,976.79	2			
GR-007183-00003 Stensland - Researching Art in Schools	199,995.00	3			
GR-007183-00004 - Stensland - Researching Art in Schools	43,000.00	4			
GR-007183-00005 - Stensland - Researching Art in Schools	62,749.00	5			
GR-007183-00006 PSC-Stensland - Researching Art in Schools	6,064.37	6			
GR-007183-00007 - SUB - PSU -	194,501.00	7			

The next award line is the **CO-PI's Award Line**.

As you can see the award line amount is different reflecting the amount allotted for this award line. **The grant worktag reflects the Co-PI - Award Title**. The F&A rate stays the same as the primary award line. The additional information section shows the co-PI under assignee and the related cost center and business unit that was provided on the SAL for this award line.

Award Lines		Line Number	Billed Amount	Line Status	Active																																										
GR-007183-00001	580,803.84	1	0.00	Active																																											
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The next award line is the **PI's Additional Award Lines** due to the sponsor requirements for reporting purposes.

Again the award line amount is different as this is the amount allotted for this award line. **The grant worktag reflects PI - Award Title**. The F&A rate is the same as the primary award line and the additional information section remains the same as the primary award line.

In this example there are three award lines for additional reporting requirements (award lines 3, 4 and 5).

Award Lines		Line Number	Billed Amount	Line Status	Active																																										
GR-007183-00001	580,803.84	1	0.00	Active																																											
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GR-007183-00005	62,749.00	5																																													
GR-007183-00006	6,064.37	6																																													
GR-007183-00007	194,501.00	7																																													

The next award line is the **Participant Support Cost (PSC) Award Line**.

The award line amount shows the amount of PSC costs on this award. **The grant worktag reflects PSC – PI - Award Title**. The F&A rate is zero as this is the allowed rate for PSC. The additional information section remains the same as the primary award line.

Award Lines		Award Line AWD-007183-00001 RC10176 Federal Grants and Contracts (Line 6)				Line Number	Billed Amount	Line Status
GR-007183-00001	580,803.84	1	Active		6	0.00	Active	
Line Item Details GR-007183-00002 21,976.79 Johnson - Researching Art in Schools GR-007183-00003 199,995.00 Stensland - Researching Art in Schools GR-007183-00004 43,000.00 Stensland - Researching Art in Schools GR-007183-00005 62,749.00 Stensland - Researching Art in Schools GR-007183-00006 6,064.37 PSC-Stensland - Researching Art in Schools GR-007183-00007 194,501.00 SUB - PSU - Stensland - Researching Art in Schools		Facilities And Administration Company Iowa State University Line Type Cost Reimbursable Primary Grant GR-007183-00006 PSC-Stensland - Researching Art in Schools Line Amount 6,064.37 Revenue Category RC10176 Federal Grants and Contracts Award Line Lifecycle Status Open Spend Restriction (empty) Line Item Description (empty) Deferred Revenue No Line CFDA Number 47.041 - Engineering Line CFDA Description Engineering		Additional Information Current Rate 0.00% Rate Agreement Sponsor Limited Rate - TDC 0% (07/01/2012) Basis Type TDC Object Class Set ISU Object Class Set Cost Rate Type On Campus Organized Research Exception (empty) Revenue Allocation Profile 100% Undistributed Basis Limit (empty) From Date (empty) To Date (empty) Memo 07/01/2019 - 12/31/2021 *Fund FD12 Current Restricted Sponsored Funds - Federal/Federal Flow Through Cost Center CC6100 VPR Center for Excellence in Arts and Humanities Business Unit BUS4 VP Research Function Sponsored Research Assignee Stensland, Mindy ISU Resource Type IRT1138 RSFFED-Restricted Sponsored Funding Federal Field Number (empty) Additional Worktags (empty) Subrecipient (empty) Line Federal Award Id Number (empty)				

The next award line is the **Subcontractor (SUB) Award Line**.

The award line amount shows the amount awarded to the subcontractor plus the related IDC that ISU recovers for the subcontract. **The grant worktag reflects SUB – Subcontractor's Name – PI - Award Title**. The F&A rate in this example is the same as the primary award line's rate. The additional information section remains the same as the primary award line.

Award Lines		Award Line AWD-007183-00001 RC10176 Federal Grants and Contracts (Line 7)				Line Number	Billed Amount	Line Status
GR-007183-00001	580,803.84	1	Active		7	0.00	Active	
Line Item Details GR-007183-00002 21,976.79 Johnson - Researching Art in Schools GR-007183-00003 199,995.00 Stensland - Researching Art in Schools GR-007183-00004 43,000.00 Stensland - Researching Art in Schools GR-007183-00005 62,749.00 Stensland - Researching Art in Schools GR-007183-00006 6,064.37 PSC-Stensland - Researching Art in Schools GR-007183-00007 194,501.00 SUB - PSU - Stensland - Researching Art in Schools		Facilities And Administration Company Iowa State University Line Type Cost Reimbursable Primary Grant GR-007183-00007 SUB - PSU - Stensland - Researching Art in Schools Line Amount 194,501.00 Revenue Category RC10176 Federal Grants and Contracts Award Line Lifecycle Status Open Spend Restriction (empty) Line Item Description (empty) Deferred Revenue No Line CFDA Number 47.041 - Engineering Line CFDA Description Engineering		Additional Information Current Rate 48.00% Rate Agreement Sponsor Limited Rate - MTDC 48% (07/01/2012) Basis Type MTDC Object Class Set ISU Object Class Set Cost Rate Type On Campus Organized Research Exception (empty) Revenue Allocation Profile 100% Undistributed Basis Limit (empty) From Date (empty) To Date (empty) Memo 07/01/2019 - 12/31/2021 *Fund FD12 Current Restricted Sponsored Funds - Federal/Federal Flow Through Cost Center CC6100 VPR Center for Excellence in Arts and Humanities Business Unit BUS4 VP Research Function Sponsored Research Assignee Stensland, Mindy ISU Resource Type IRT1138 RSFFED-Restricted Sponsored Funding Federal Field Number (empty) Additional Worktags (empty) Subrecipient PENN STATE UNIV Line Federal Award Id Number (empty)				

The last award line is the **Cost Share (CS) Award Line**.

The award line amount is zero as we are only using the grant worktag as a tracking mechanism for cost share. **The grant worktag reflects CS – PI - Award Title.** The F&A rate will always be zero using ISU Cost Share Rate 0%. The cost rate type will be the same as the primary award line. The dates will remain the same as the primary award line and the only related worktag is FD02.

Award Lines		Line Item Details		Facilities And Administration		Additional Information				
GR-007183-00001	580,803.84	1	Award Line	AWD-007183-00001 RC10228 Cost Share Revenue (Line 9999)	Line Number	9999	Billed Amount	0.00	Line Status	Active
GR-007183-00002	21,976.79	2	Company	Iowa State University	Current Rate	0.00%	From Date	(empty)	To Date	(empty)
GR-007183-00003	199,995.00	3	Line Type	Fixed Amount	Rate Agreement	ISU Cost Share Rate - MTDC 0% (07/01/2012)	Memo	07/01/2019 - 12/31/2021	*Fund	FD02 Current Unrestricted
GR-007183-00004	43,000.00	4	Primary		Basis Type	MTDC	Cost Center	(empty)	Business Unit	(empty)
GR-007183-00005	62,749.00	5	Grant	GR-007183-09999 CS- Stensland - Researching Art in Schools	Object Class Set	ISU Object Class Set	Function	(empty)	Assignee	(empty)
GR-007183-00006	6,064.37	6	Line Amount	0.00	Cost Rate Type	On Campus Organized Research	ISU Resource Type	(empty)	Field Number	(empty)
GR-007183-00007	194,501.00	7	Revenue Category	RC10228 Cost Share Revenue	Exception	(empty)	Additional Worktags	(empty)	Subrecipient	(empty)
GR-007183-09999	0.00	9999	Award Line Lifecycle Status	Open	Revenue Allocation Profile	100% Undistributed	Line Federal Award Id Number	(empty)		
			Spend Restriction	(empty)	Basis Limit	(empty)				
			Line Item Description	COST SHARE						
			Deferred Revenue	No						
			Line CFDA Number	(empty)						
			Line CFDA Description	(empty)						

ADVANCED ACCOUNT NUMBER

Occasionally an award will get delayed at the sponsoring agency or during negotiation of the agreement. By using the Advanced Grant Worktag Request Form (available at <http://www.ospa.iastate.edu/Forms/>) to request an advanced account number, spending can begin immediately. This will eliminate unnecessary corrections and transfers of charges from alternate accounts used prior to receipt of the award. Because a legally binding agreement is not in place, please note that the form requires an unrestricted account number to assume charges should the sponsor decide not to fund the project. The account number designated to assume charges cannot be a grant worktag.

NEVER put charges on a different grant worktag while waiting to receive an award from a sponsor, particularly federal sponsors.

FISCAL RESPONSIBILITY

Principal investigators and administering departments are responsible for the allowability and appropriateness of all charges on sponsored program accounts. It is also the department's responsibility to maintain proper records and documentation and ensure technical and final reports are submitted timely. Any over-expenditures, unallowable costs, or uncollectible accounts receivable (as determined by SPA) should be promptly covered by the principal investigator and department with an unrestricted account. The Sponsored Programs Accounting Office is authorized to stop transactions and initiate transactions to resolve deficit balances if the PI and department do not take appropriate action.

AWARD REVIEW, ACCOUNT MONITORING AND ACCOUNT CLOSEOUT

Departmental/Grants Finance Responsibilities. These are denoted as:
(Departmental = D, Grants Finance Responsibilities = GFS, both D/GFS)

Beginning of Award:

- Review award documents and determine the applicable terms and regulations for award GFS
- Determine which expenses are allowable and appropriate and communicate understanding to all individuals authorized to spend funds GFS
- Department to provide projected sources of cost share to the GFS.
- Work with Office of Sponsored Programs Administration (OSPA) to initiate subcontract agreements D

During Award:

- Use appropriate spend categories when preparing transactional documents (vouchers, T&H card transactions, expense reports, p-card, etc.) D/GFS
- Review all transactions posted on the SPA Financial Report for allowability and appropriateness GFS
- Transfer unallowable and inappropriate costs to appropriate or unrestricted accounts GFS
- Monitor accounts for cost overruns and initiate corrective actions (accounting adjustments, PAA) GFS
- Monitor accounts for budget deviations and request re-budgeting if needed D/GFS
- Initiate requests to OSPA for preaward spending, no-cost extensions (NCE), and equipment purchases not in the original budget if needed D
- Add cost share worktags to expenses and gather third party confirmation letters to document cost share (indirect costs will be manually calculated) GFS
- Review and document PI approval for invoices from subcontractors GFS
- Cover deficits resulting from cost overruns and uncollectible accounts D

Account Closeout: (All expenses should be incurred and technical work completed prior to termination date)

30-90 Days before Termination:

- Communicate with the PI to determine if a NCE is needed GFS
- If a NCE is needed, work with the PI to submit the request to OSPA. Please be sure to review your award as many sponsors require these requests be submitted no later than a specified number of days prior to the award end date. D/GFS
- Review the encumbrances on the account. Check to see if a cost allocation will be needed to move payroll costs onto another account. Also, it is a good idea to follow up with subcontractors to ensure that their final invoice will be sent within the timeframe specified in their subaward. GFS
- Review the unspent balance on the financial report to see if there are any budget deviations that will require a re-budget approval. Some federal awards allow a budget line item to deviate up to 10% of the award total. Be sure to review the terms and conditions of your award to verify the re-budgeting requirements. If a re-budget is needed, please submit the request to OSPA. D/GFS
- Review the transactions on the account to ensure expenditures are allowable and appropriate. Submit any cost transfers (AA, PAA, etc.) as needed. GFS

0-90 Days after Termination:

- Ensure all costs initiated before the termination date have posted and all encumbrances have cleared within the closeout period (usually 15-90 days per the sponsor's terms and conditions). Remember: SPA often needs time to prepare the final invoice or final financial report. GFS
- Review costs posted after the termination date to ensure that there are no costs on the account which are for transactions initiated after the termination date (or recurring transactions for periods after the termination date). GFS
- Deliver technical reports or deliverables to the sponsor by the deadline. Notify SPA if the technical report or deliverable will not be submitted by the due date in the agreement. D
- Clear overdrafts to bring the unspent balance to zero. Accounts must not be in overspent status if SPA is to submit final invoicing and reporting. GFS

ISU SPONSORED PROGRAMS COSTING POLICY

The **ISU Sponsored Programs Costing Policy** was developed to ensure University-wide compliance with Uniform Guidance.

The **A-21 ISU Costing Policy** was created to ensure University wide compliance with awards falling under the provisions of OMB Circular A-21.

The **PI Costing Guide** was created for PIs as a summary of the UG ISU Costing Policy for awards falling under the provisions of Uniform Guidance.

These policies can be obtained from the following website: <http://www.controller.iastate.edu/spa/homepage.html>

EXPENDITURE ALLOWABILITY FOR FEDERAL FUNDS

The Office of Management and Budget, published in the Federal Register the “*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (“Uniform Guidance”)*”, 2 CFR Chapter I, Chapter II, Part 200. The Uniform Guidance (UG) will supersede federal requirements set forth in OMB Circulars A-21, A-110, and A-133.

The Uniform Guidance (2 CFR Part 200 Subpart E) Cost Principles for Federal Awards is the regulation that guides the allowability of costs on federal awards. 2 CFR 200.430 sets forth the criteria for acceptable methods of determining costs applicable to federal grants, contracts, and other agreements with educational institutions. The UG in its entirety can be obtained from the following website: <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards#h-2300>

It is the responsibility of the department/research administrative unit and GFS to determine whether or not expenditures charged are reasonable, allocable, and allowable per UG based on the following standards.

Reasonable Costs:

A cost may be considered reasonable if the nature of the goods or services acquired, and the amount involved, reflect the action that a prudent person would have taken under the circumstances at the time the decision to incur the cost was made. Major considerations involve determining:

- 1) Whether a cost is the type generally recognized as necessary for the operation of the institution (typically an indirect or F&A cost) or for the performance of the sponsored agreement (direct cost). To be reasonable, the cost must be necessary for the operation of the institution or for the performance of the sponsored agreement.
- 2) Whether the expense meets the restraints/requirements imposed by federal and state laws and regulations, such as arm’s-length bargaining and conflict of interest, as well as the sponsored agreement terms and conditions.
- 3) Whether the individuals administering the funds act with due prudence, considering their responsibilities to the government, public, institution, employees and students.
- 4) Whether the expense is consistent with established ISU policies and practices.

Allocable Costs:

A cost is allocable to a sponsored agreement if the goods or services involved can be charged or assigned based on relative benefits received or some other equitable relationship. Subject to this, a cost is allocable if:

- 1) It is incurred solely to advance the work under the sponsored agreement;
- 2) It benefits both the sponsored agreement and other work of the institution, in proportions that can be approximated through use of reasonable methods; or
- 3) It is necessary to the overall operation of the institution and it is deemed to be assignable in part to sponsored projects.

Limitations on Allowance of Costs:

Costs must conform to limitations or exclusions set forth in UG and the sponsored agreement (including the request for proposal). When the maximum amount allowable under a sponsored agreement is less than the total amount allowable in accordance with the principles in UG, the amount that is not recoverable may not be charged to other sponsored agreements. Any costs allocable to activities funded by industries, foreign governments or other sponsors may not be shifted to federally-sponsored agreements. Costs caused by overruns or other fund considerations, and costs incurred to avoid restrictions imposed by law or by the terms of the sponsored agreement, may not be shifted to federal funds.

Consistent Application:

Costs must be treated consistently in like circumstances under generally accepted accounting principles. This means that all costs incurred for the same purpose, in like circumstances, must be treated as either a direct cost only or as an F&A (indirect) cost only.

UNALLOWABLE COSTS ON FEDERAL FUNDING

General:

Unallowable costs are those costs that cannot be charged to a sponsored project due to sponsor and/or ISU policies, regulations and restrictions. Different sponsors have different policies, regulations and restrictions. The same sponsor could also have different restrictions for different awards, depending on the source of the funding, the type of award (e.g. grant, cooperative agreement or contract), or the purpose of the award (e.g. research, equipment, conference, training). Therefore, whether a cost is considered allowable or unallowable for a sponsored project can only be determined through a close review of the award documentation, sponsor regulations and guidelines, and ISU policies and procedures.

Costs on Federal Sourced Sponsored Agreements:

Certain types of costs cannot be charged (directly or indirectly) to federally funded sponsored agreements. These costs may be allowable if paid from non-federal funding sources. OMB Circular A-21 (relocated to 2 CFR, Part 220), Cost Principles for Educational Institutions, specifically identifies many costs as unallowable. The following is a list of unallowable costs that are specifically prohibited by the federal government:

- Advertising for general promotion of the University
- Alcoholic beverages
- Alumni or fundraising activities
- Bad debts
- Charitable contributions, donations and gifts
- Commencement and convocation expenses
- Contingency provisions (i.e., reserves for future unanticipated costs)
- Entertainment and social activities
- Fines and penalties
- First class or other non-coach class travel
- Goods and services for personal use
- Legal fees
- Lobbying costs
- Losses (cost overruns) on sponsored agreements
- Membership in any civic or community organization, country club or social club
- Severance costs in excess of institution's normal severance pay
- Student activity costs

Certain other cost categories are usually unallowable as direct charges to federal sourced awards and are normally treated as indirect costs for sponsored projects. These costs may be treated as direct costs only under unlike circumstances. These unallowable costs include:

- Basic telephone line charges
- Cell phone charges
- General purpose equipment
- Office supplies
- Journals and subscriptions
- Memberships in professional and scientific organizations
- Photocopying
- Postage
- Salaries of clerical and administrative personnel

Costs that are unallowable as direct charges to federal sourced awards but have a legitimate University business purpose should be charged to unrestricted sources of funding, such as general fund accounts, incentive accounts, and discretionary accounts. For example, the cost of general office supplies used by graduate students in the lab for federal projects should be charged to unrestricted sources of funding.

Additionally, costs that are unallowable as direct charges on federal sourced awards may not be used as cost share. If you have any questions regarding unallowable costs, please contact your Sponsored Programs Accountant.

SPONSOR IMPOSED TERMS AND CONDITIONS

Women Business Enterprises and Minority Business Enterprises (MBE/WBE):

An award that requires Iowa State University to utilize minority and women business enterprises for procurement. This requirement is normally identified as a percentage of total expenditures. Procurement is defined as the purchase or lease of supplies, equipment, construction or services. The department/unit should contact the Purchasing Department for help in identifying minority and women business enterprises and/or indicate on any purchase requisitions that these funds are subject to MBE/WBE requirements as purchases are made.

The following affirmative action steps for utilizing MBEs and WBEs are suggested:

1. Inclusion of MBEs/WBEs on solicitation lists
2. Assure MBEs/WBEs are solicited once they are identified
3. Where feasible, divide total requirements into smaller tasks to permit maximum MBE/WBE participation
4. Where feasible, establish delivery schedules that will encourage MBE/WBE participation
5. Encourage use of the services of the US Department of Commerce's Minority Business Development Agency (MBDA) and the US Small Business Administration to identify MBEs/WBEs
6. Require that each party to a sub-agreement or subcontract take these affirmative steps outlined

Carryforward Provisions:

An award that allows the carryforward of unspent funds from one budget period to the next. Typically the award outlines the procedures needed for obtaining approval. These procedures may include notifying the sponsor prior to the termination date and providing a justification for and the intended uses of the carryforward. Some sponsors may also limit the amount of carryforward that is permitted (e.g., no more than 25% of the award amount can be carried over to subsequent periods).

Special/Unusual Financial Reporting:

Proposals submitted with cost/budget categories that do not match ISU's accounting cost categories typically end up having agreements more likely to contain special and unusual reporting requirements. Because of the volume of awards and the amount of automation used in the SPA reporting process, special and unusual reporting categories make it difficult (if not impossible) for SPA to complete the award requirements without involving the department and GFS. Departments that have awards with special reporting requirements will be asked to work with the GFS to re-categorize expenses so SPA can complete the award's financial reporting.

Patent/Equipment Reports:

Some awards require periodic reporting of any patentable discoveries to the sponsor. Patent reports disclose any new intellectual property for ownership purposes. A new discovery could be a new material or a new process, or a new use for an existing product/material, or an improvement of any of these. By making full public disclosure, ISU is granted a legal monopoly on the use of the product/service for a fixed period of time. The Iowa State University Research Foundation (ISURF) has responsibility for managing and promoting patents developed from all ISU activities. If periodic or final patent reports are required, the PI will be asked to disclose this information and SPA will file the appropriate report.

In addition, ISU is sometimes required to disclose specific pieces of equipment purchased with sponsored funding. In some cases, sponsor terms may permit the sponsor to come back to us after receiving this report and provide specific disposition instructions for these equipment items.

SPONSORED PROGRAMS FINANCIAL REPORT

The Sponsored Programs Financial Report provides cumulative expenditures over the entire life of the award, as opposed to the state fiscal year. This report also provides cumulative line item detail that can be used as a budgeting and management tool for award monitoring.

Distribution:

The sponsored programs financial report is available in Workday via the report ISU SPA Financial Report. All users with access to Workday will also have access to this report.

Different types of ISU SPA Financial Reports:

ISU SPA Financial Report and **ISU SPA Financial Report – Consolidated**

ISU SPA Financial Report shows the detailed information for each additional award line (grant worktag).

ISU SPA Financial Report – Consolidated shows the summarization for the award by object class code and does not break down each individual award line (grant worktag).

There are different ways to run the report, by the award overall, by award group (for field trials and memberships) and by an individual grant (grant worktag/award line). When running the **ISU SPA Financial Report – Consolidated** you can only run this by Award. When running by award group the entire award will show will all associated awards within the award group and will reconcile the field trail/membership between receipts received to date and total expenditures for all field trails/memberships. When running by grant this will only show that grant worktag line, you will not see any other grant worktag/award line associated with the award.

ISU SPA Financial Report

Instructions NOTE: Prompting for an Award will greatly improve report performance.
For Award Period, ONLY ISU Fiscal Year can be selected, if another period is selected it will not result in proper data.

Period	* X FY21 - Jun	☰
Award		☰
Award Groups		☰
Grant		☰

Type in the award number and hit enter

ISU SPA Financial Report

Instructions NOTE: Prompting for an Award will greatly improve report performance.
For Award Period, ONLY ISU Fiscal Year can be selected, if another period is selected it will not result in proper data.

Period *

Award

Award Groups

- All Awards >
- Award Groups >

Grant

- Awards by Budget Structure >

This will then populate the award, then hit OK at the bottom of the screen for the report to run.

ISU SPA Financial Report

Instructions NOTE: Prompting for an Award will greatly improve report performance.
For Award Period, ONLY ISU Fiscal Year can be selected, if another period is selected it will not result in proper data.

Period *

Award

Award Groups

Grant

Filter Name

Manage Filters

5 Saved Filters ▾

How to Read the Financial Report:

When the **ISU SPA Financial Report** is ran it will come through at a summarization level for each grant worktag (award line).

Award	Budget	Current Period Expenses	Expenses Since Inception	Unspent Balance	% of Funds Spent to Date Total	Total Revenue	Cash Balance to Date Total	Total Obligations & Commitments	Cost Share Met
Award	\$2,251,487.00	0.00	\$2,199,835.46	\$1,651.54	97.71%	\$2,199,835.46	0.00	\$24,402.17	0.00
AWD-015165-00001	\$2,251,487.00	0.00	\$2,199,835.46	\$1,651.54	97.71%	\$2,199,835.46	0.00	\$24,402.17	0.00
GR-015165-00001	\$1,086,700.00	0.00	\$1,082,978.12	3,721.88	99.66%	\$1,082,978.12	0.00	\$0.00	0.00
GR-015165-00002	\$32,145.00	0.00	\$8,617.50	23,527.50	26.81%	\$8,617.50	0.00	0.00	0.00
GR-015165-00003	\$408,759.00	0.00	\$384,366.84	24,402.16	94.03%	\$384,366.84	0.00	\$24,402.17	0.00
GR-015165-00004	\$723,873.00	0.00	\$723,873.00	0.00	100.00%	\$723,873.00	0.00	0.00	0.00

In this example, these are depicted as GR-015165-00001, GR-015165-00002, GR-015165-00003, GR-015165-00004.

Rows:

Award – this top row shows the summarization for the entire award(s) selected. We encourage only selecting one award at a time so all awards are not summarized together at this level.

AWD-015165-00001 – this next row shows the summarization for the entire award

GR-015165-00001, GR-015165-00002, GR-015165-00003, GR-015165-00004 – these rows show the total for each individual grant worktag (award line)

Columns:

Award – Shows the award number or grant worktag number.

Budget - Sponsor approved cumulative budget as entered from the proposal budget or supplemental budget form.

Current Period Expenses - Total expenditures for the current month selected for the report. Expenditures are put into the budget cost categories based on the transaction's object class code. To view the detail behind the expenses, you can click on the blue number and this will drill into the detail.

Expenses Since Inception - These are cumulative expenditures since the inception of the account. To view the detail behind the expenses, you can click on the blue number and this will drill into the detail.

Unspent Balance - Unspent balance equals Budget less Expenses Since Inception.

% of Funds Spent to Date Total – This shows what percentage of the award budget has been spent to date.

Total Revenue – This shows what revenue has been received by ISU from the sponsor for the award.

Cash Balance to Date Total – This reflects Expenses Since Inception less Total Revenue to show what ISU's cash balance currently is for the award.

Total Obligations & Commitments - "Payables" recorded on the accounting and purchasing systems. These will include salaries allocated to the award, subcontracts, and purchase orders processed through Procurement Services. Note that many types of intramural charges are not encumbered.

Cost Share Met - This is the total cost share recorded in the system, this is a static number that is entered by the SPA accountant.

To expand the detail on a grant line, click on the small round arrow icon to the left of the grant worktag number.

Award	
Award	
AWD-015165-00001	
GR-015165-00001	
GR-015165-00002	
GR-015165-00003	
GR-015165-00004	

This will then show the detail for each object class code charged to that grant worktag. These are also the categories used to invoice the sponsor.

Award	Budget	Current Period Expenses	Expenses Since Inception	Unspent Balance	% of Funds Spent to Date Total	Total Revenue	Cash Balance to Date Total	Total Obligations & Commitments	Cost Share Met
Award	\$2,251,487.00	0.00	\$2,199,835.46	\$1,651.54	97.71%	\$2,199,835.46	0.00	\$24,402.17	0.00
AWD-015165-00001	\$2,251,487.00	0.00	\$2,199,835.46	\$1,651.54	97.71%	\$2,199,835.46	0.00	\$24,402.17	0.00
GR-015165-00001	\$1,086,700.00	0.00	\$1,082,978.12	\$3,721.88	99.66%	\$1,082,978.12	0.00	\$0.00	0.00
ISU Object Class Set: Default	0.00	0.00	\$0.00	0.00	0.00%	0.00	0.00	0.00	0.00
ISU Object Class Set: Equipment	\$23,000.00	0.00	\$0.00	\$23,000.00	0.00%	0.00	0.00	0.00	0.00
ISU Object Class Set: Honoraria/Services	0.00	0.00	\$86,038.69	(\$86,038.69)	0.00%	0.00	(\$86,038.69)	0.00	0.00
ISU Object Class Set: Indirect Cost	\$334,452.00	0.00	\$347,110.41	(\$12,648.41)	103.78%	0.00	(\$47,110.41)	0.00	0.00
ISU Object Class Set: Other Direct Costs	\$86,407.00	0.00	\$672.34	\$85,734.66	0.78%	0.00	(\$72.34)	0.00	0.00
ISU Object Class Set: Payroll Benefits	\$75,673.00	0.00	\$85,841.51	(\$10,168.51)	113.44%	0.00	(\$5,841.51)	\$0.00	0.00
ISU Object Class Set: Printing/Copying	\$9,000.00	0.00	\$6,708.23	\$2,291.77	74.51%	0.00	(\$,708.23)	0.00	0.00
ISU Object Class Set: Salaries/Wages	\$381,295.00	0.00	\$356,268.19	\$25,026.81	93.44%	0.00	(\$56,268.19)	\$0.00	0.00
ISU Object Class Set: Student Tuition	\$76,409.00	0.00	\$41,651.00	\$34,758.00	54.51%	0.00	(\$41,651.00)	0.00	0.00
ISU Object Class Set: Subcontracts - Burdenable	\$0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00
ISU Object Class Set: Subcontracts - Nonburdenable	(\$2,000.00)	0.00	0.00	(\$2,000.00)	0.00%	0.00	0.00	0.00	0.00
ISU Object Class Set: Supplies/Materials	\$61,818.00	0.00	\$145,799.63	(\$83,981.63)	235.85%	0.00	(\$145,799.63)	\$0.00	0.00
ISU Object Class Set: Travel - Domestic	\$38,636.00	0.00	\$9,602.21	\$29,033.79	24.85%	0.00	(\$9,602.21)	0.00	0.00
ISU Object Class Set: Travel - Foreign	0.00	0.00	\$3,287.91	(\$3,287.91)	0.00%	0.00	(\$3,287.91)	0.00	0.00

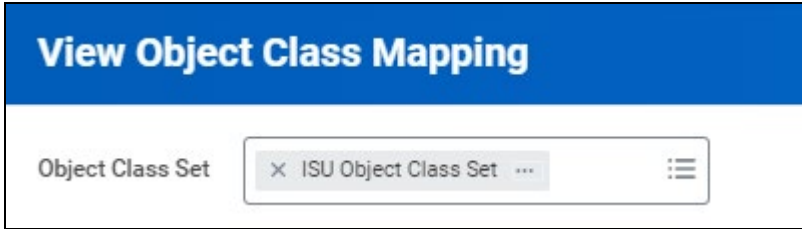
Please remember clicking on any blue number will get further detail on the number, for instance when clicking on any blue number under the expenditure columns you will be able to see the detail for the expenditures.

Journal	Accounting Date	Ledger Account	Operational Transactions	Spend Category	Object Class Code	Operational Transaction for Journal	Memo	Line Memo	Worktags	Debit Amount	Credit Amount	Net
Q	07/16/2019	6600:Services	Internal Service Delivery	SC10173 Research Services	Honoraria/Services		To study UPR in maize ER stress	50-nmol Synthesis ISU \$0.45 40.00 \$18.00 42248	Assignee: Howel, Stephen H Business Unit: BUS4 VP Research Coat Center: CC6110 VPR Plant Science Institute Function: Sponsored Research Fund: FD12 Current Restricted Sponsored Funds - Federal/Federal Flow Through More (5)	18.00	0.00	18.00
Q	07/16/2019	6600:Services	Internal Service Delivery	SC10173 Research Services	Honoraria/Services		To study translation in ER stress in maize	1. 50-nmol Synthesis ISU \$0.45 406.00 \$182.70 42239 2. 50-nmol Synthesis ISU \$0.45 576.00 \$259.20 42240	Assignee: Howel, Stephen H Business Unit: BUS4 VP Research Coat Center: CC6110 VPR Plant Science Institute Function: Sponsored Research Fund: FD12 Current Restricted Sponsored Funds - Federal/Federal Flow Through More (5)	441.90	0.00	441.90
Q	07/16/2019	6600:Services	Internal Service Delivery	SC10173 Research Services	Honoraria/Services		primer	1. 50-nmol Synthesis ISU \$0.45 49.00 \$22.05 42175 2. 50-nmol Synthesis ISU \$0.45 42.00 \$18.90 42176 3. 50-nmol Synthesis ISU \$0.45 314.00 \$141.30 42222	Assignee: Howel, Stephen H Business Unit: BUS4 VP Research Coat Center: CC6110 VPR Plant Science Institute Function: Sponsored Research Fund: FD12 Current Restricted Sponsored Funds - Federal/Federal Flow Through More (5)	182.25	0.00	182.25
Q	07/16/2019	6600:Services	Internal Service Delivery	SC10173 Research Services	Honoraria/Services		PCR amplification	50-nmol Synthesis ISU \$0.45 260.00 \$117.00 42225	Assignee: Howel, Stephen H Business Unit: BUS4 VP Research Coat Center: CC6110 VPR Plant Science Institute Function: Sponsored Research Fund: FD12 Current Restricted Sponsored Funds - Federal/Federal Flow Through More (5)	117.00	0.00	117.00

Crosswalk Between the Sponsored Programs Financial Report Spend Categories and the Class Codes:

When preparing budgets for proposals it is important to keep in mind the class codes that will be used for the actual expenditures. The expenditures that post to an account fall into the various Sponsored Programs Financial Report budget categories (also referred to as Object Class Codes) based on the spend category used.

Current on-line information showing how spend categories crosswalk to the sponsored programs budget categories is available through the report View Object Class Mapping.



You are then able to see what the Object Class code is and the spend categories that are associated with it.

Object Class	Default Object Class	Spend Category / Hierarchy / Pay Component Group	Exclude Spend Category / Hierarchy	Exception Worktag
ISU Object Class Set: Salaries/Wages		<input type="checkbox"/> Spend Category / Hierarchy <input checked="" type="checkbox"/> Pay Component Group Institutional Earnings		
		<input checked="" type="checkbox"/> Spend Category / Hierarchy Salary <input type="checkbox"/> Pay Component Group		
		<input type="checkbox"/> Spend Category / Hierarchy <input checked="" type="checkbox"/> Pay Component Group Exclude from Effort Certification-Work Study		
		<input checked="" type="checkbox"/> Spend Category / Hierarchy SCI0630 Salary and Wages - Technical - Hourly <input type="checkbox"/> Pay Component Group		
		<input checked="" type="checkbox"/> Spend Category / Hierarchy SCI0628 Salary and Wages - Security - Hourly <input type="checkbox"/> Pay Component Group		
		<input checked="" type="checkbox"/> Spend Category / Hierarchy SCI0626 Salary and Wages - Non-Organized - Hourly <input type="checkbox"/> Pay Component Group		

When entire Spend Categories/Hierarchies are used there are some spend categories within that hierarchy that are excluded, these spend categories that need to be excluded will be listed under the Exclude Spend Category/Hierarchy column.

COST SHARE

Some sponsors require that their funds be matched with ISU funds; therefore, ISU or another party bears some of the costs of the project. These requirements are referred to as either mandatory "matching" or "cost sharing". We may not be able to receive funds from the sponsor unless the stipulated cost share is met. Some awards with mandatory cost share stipulate a certain percentage of total costs. Others may stipulate a set dollar amount. See an example of an award document requiring cost sharing following this narrative.

Kinds of Match:

Costs that can be used to satisfy ISU's match or cost share requirements may be comprised of the following:

1. Direct costs for the project but were not charged to the award. These must have a grant cost share worktag. These worktags will start with GR-award # -01000 to -09999. For example, the award number is AWD-111111, the grant cost share worktag would be GR-111111-09999. All cost direct cost share must have use the grant cost share worktag or will not be allowed to be counted towards cost share on the award.
2. Indirect costs (which are also real costs), there are two types of indirect cost share
 - a. Indirect costs related to not receiving the full indirect rate from the sponsor
 - b. Indirect related to direct costs identified in #1 above.
3. Third party in-kind contributions, which can be in the form of a third party's direct or indirect costs.

Generally, the rule for valuation of third-party in-kind contributions is "what it would have cost if ISU had paid for the item or service". Please note that if a cost would not be allowed under the sponsor's spending guidelines, it also would not be allowed as cost share.

Sources of Cost share:

The first source of cost sharing identified in the proposal should be the unrecovered indirect costs from the sponsor, if applicable. This means if we are entitled to full indirect cost rate of 53% on a project and the sponsor will only pay us 8%, the difference, or the other 45%, is written into the proposal and approved by the sponsor to meet the cost share/match requirements. Costs used to satisfy a cost share/match requirement may not be derived from costs of another sponsored project, nor from costs which have already been used as cost share/match on another sponsored project. However, costs, which are related to two or more projects, may be prorated among the projects. Again, the indirect costs associated with such direct costs should be taken into consideration and included as a part of the match.

Overmatch/Undermatch:

Proposals submitted by ISU should not commit resources to cost sharing if cost sharing is not required by the sponsor or if cost sharing has no effect on the competitiveness of the proposal. If ISU is not able to contribute a sufficient amount to meet a mandatory match, financial support may be reduced by the sponsor.

Documentation:

The lack of documentation is the most common problem of cost share. Matching or cost sharing requirements are not satisfied unless they can be verified by adequate records.

Your Grants Finance Specialist will request that the PI/department complete a cost sharing worksheet during the life of an award. The information requested will be used to enter pledged amounts on effort certification and will also record the projected sources of cost share funding.

Personnel costs incurred by ISU to meet cost sharing requirements will be maintained on within the effort certification process within Workday. ISU employees will be prompted to verify/correct the percentage of effort on cash share within the effort certification process.

Records of other direct ISU costs incurred to meet cost sharing requirements must be tagged using the grant cost share worktag as mentioned above. The ***ISU Cost Share Tracking Report*** tracks all transactions used as cost share on an award. This report can be ran to review all transactions tagged as cost share on an award.

ISU Cost Share Tracking Report																			
Period	Year	Worktags	GR-022237-09999 CS-Dinsmore-2020 McIntire-Stennis																
Year	FY21	Company	Iowa State University																
Fiscal Year	Period	Accounting Date	Ledger	Ledger Account	Total Expenses	Journal	Journal Sequence Number	Journal Number	Line Number	Operational Transaction	Supplier/Payee	Business Document	Status	Source	Journal Memo	Line Memo	External Reference ID	Journal Line External Reference ID	Grant
2021	Jul	07/01/2020	Actuals	6650:Supplies	(99.96)	Q	JE-FY21-07945		1	PCV-1142416	Troy Heeren		Posted	Procurement Card Transaction Verification		Biomass: refund store inventory incorrect			GR-C Dinsm Stan
2021	Jul	07/01/2020	Actuals	6650:Supplies	44.94	Q	JE-FY21-07946		4	PCV-1142019	Troy Heeren		Posted	Procurement Card Transaction Verification		Biomass: oil filter and gas cap for research truck			GR-C Dinsm Stan
2021	Jul	07/01/2020	Actuals	6650:Supplies	534.32	Q	JE-FY21-07951		2	PCV-1142417	Troy Heeren		Posted	Procurement Card Transaction Verification		Biomass: Fencing supplies, posts, wire, ect.			GR-C Dinsm Stan

All third party in-kind contributions must be supported by documentation from the third party. The documentation should be on the third party's letterhead and should indicate the cumulative dollar amount of the cost share achieved, an indication of how the valuation was computed, the period of time over which the cost share was incurred, and should be signed by an authorized official of the third party organization. Below is an example of third party in-kind contribution letter.

ABC Company Letterhead

6/22/2021

Dr. Jane Doe
Iowa State University
Ames, IA 50011

**RE: Cost Share for Project entitled "ABC Project"
Sponsor Reference No. XXXXXXXX
ISU Award: AWD-000000**

Dear Dr. Doe:

ABC Company is pleased to be collaborating with Iowa State University on the subject award. In January 2020, we sent you a commitment letter to include in your original application to the Sponsor. Pursuant to that letter, ABC Company has committed \$50,000 to the project in the form of in-kind cost share contributions, specifically in the form of be specific consulting services.

We hereby acknowledge that \$50,000 of cost share has been achieved for the period July 2020 to December 2020. We further certify that all cost sharing achieved to date meets the criteria and requirements described within the Federal Regulations.

We hope this letter of cost share meets your needs with regard to financial accounting and reporting. Please contact me at 555-555-5555 if you have any questions or need additional information.

Sincerely,

Joe Smith
President of ABC company

Additional Guidelines for Cost Share:

- All cost sharing commitments from all sources must be made for allowable costs per sponsor guidelines and must meet the requirements of the proposal guidelines.
- No sponsored programs can be used as a source of cost share on another sponsored project.
- Cost sharing provided by external third parties must be documented in writing prior to submission of a proposal.
- Expenditures documented as cost share must be reasonable to accomplish the objectives of the sponsored project.
- A specific expenditure transaction cannot be used or reported as cost share on more than one sponsored project.
- Cost sharing must be incurred during the award period.
- When institutional support is required, the VPR Office will coordinate the final documentation of cost share support and commitments.
- Institutional support from the Office of the Senior Vice President and Provost (SVPP) or the VPR Office will normally not be provided for voluntary committed cost share requests.
- Requests for institutional cost share support from the VPR Office, that are in addition to PI, department, center, institute, college and/or unit cost share, must be submitted to the VPR Office, see procedures below.
- Cost share request to the VPR office should be submitted through the Lead Unit (RRC); in most cases this will be through the associate dean for research of the corresponding college.

Procedures for VPR institutional cost share support:

Requests to the VPR Office for institutional cost share should include the following information:

- (1) estimated total project budget including cost share (for each year and a cumulative total)
- (2) the IDC revenues that ISU would be expected to receive (for each year and a cumulative total)
- (3) the required amount of mandatory cost share, with an indication of any 'cash' requirements or 'in-kind' limitations
- (4) the names of the PI and Co-PIs
- (5) the salary home(s) of the PI and Co-PIs, and the percentage of the salary paid by each unit (if a PI or Co-PI is paid by multiple units)
- (6) a copy of the solicitation (RFP, RFQ, BAA, proposal guidelines).

When institutional cost sharing is required, the VPR Office will normally coordinate contributions from the PIs, departments, centers, institutes, and other colleges or units and/or VPR Office, as appropriate. The VPR Office will, in most cases, contact the PI to discuss in-kind contributions and possible contributions from other sources. The VPR Office will approve and distribute the final documentation of institutional cost share support and commitments.

- A complete set of approved final cost share documentation must be shared with all contributing parties before a proposal is submitted.
- The VPR Office will forward approved final cost share documentation to the Office of Sponsored Programs Administration.
- On the Streamlyne PD, the entire amount of cost share can be attributed to the Lead Unit (RRC), or the amounts and sources of cost share can be listed individually. A summary of the cost sharing agreement should be routed with the Streamlyne PD.
- If an award is received at a significantly lower amount than what was proposed (i.e. at 10% or greater reduction), the cost sharing contributions will be revised accordingly.
- When VPR institutional support is not required, the Lead Unit (RRC) indicated on the proposal will normally be responsible for documenting contributions from the PIs, departments, centers, institutes, and/or other colleges or units other than the VPR office. Requests to the VPR Office for cost share should include Items (1) – (6) listed above.
- On the Streamlyne PD, the entire amount of cost share can be attributed to the Lead Unit (RRC), or the amounts and sources of cost share can be listed individually. A summary of the cost sharing agreement should be routed with the Streamlyne PD.
- If an award is received, the Lead Unit (RRC) will be responsible for obtaining funds or providing funds to cover all cost share commitments.
- A complete set of cost share support and commitment documentation must be distributed by the Lead Unit (RRC) to all contributing parties, OSPA and Sponsored Programs Accounting after the award is received.

Voluntary Committed Cost Share :

ISU engages in cost sharing when it is in the best overall interest of the institution. Voluntary Committed Cost Share – Project costs is cost share that is pledged by ISU on a voluntary basis and specifically included in the proposal budget, budget justification or award.

Cost share committed beyond the required mandatory amount, if cost share is permitted at all by the sponsor, is considered **voluntary committed cost share**. Voluntary cost share is never a requirement of the sponsor. Some PIs may choose to include voluntary committed cost share in their proposals in hopes of enhancing their chance of being funded.

In general, federal agencies do not use voluntary committed cost share as a factor during the merit review of applications or proposals unless it has been specified in the notice of funding opportunity. When cost share is strongly encouraged by the sponsor and pledged by ISU, such cost sharing is considered to be voluntary committed cost share and will not be tracked by SPA.

EFFORT REPORTING

Effort reporting is a process required by the federal government to verify that direct and indirect labor charges and cost share efforts to federally sponsored projects are reasonable and reflect actual effort performed. On February 1, 2011, Iowa State published a formal effort reporting policy that details effort reporting and certification requirements available in the policy library. This policy and the corresponding requirements were published in response to an Internal Audit recommendation and the results of some very high profile audits by the Office of Inspector General (OIG).

The Uniform Guidance (2 CFR Part 200 Subpart E) Cost Principles for Federal Awards is the regulation that guides the allowability of costs on federal awards. 2 CFR 200.430 sets forth the criteria for acceptable methods of charging salaries and wages to federal awards. The regulation requires institutions to have a system of internal control which provides reasonable assurance that salary charges are accurate, allowable, and properly allocated. Effort certification is the university's means of providing this assurance of effort to sponsors.

Prior to July 1, 2019, paper effort certification forms were completed, and the distribution of those forms was handled by Sponsored Programs Accounting. This process will be discussed in the section labeled "ADIN Effort Certification Process". Within this process an EASE form was completed to confirm paid effort percentages performed on federal and state sponsored projects and the cost-shared effort on any sponsored projects.

During this time the effort reporting process classified the various types of activities in which employees participated. This reporting process was also used for the following purposes:

- Quantification of faculty and staff effort for reports mandated by the State through the Office of Institutional Research
- Allocation of research space by Facilities, Planning and Management

After July 1, 2019, effort certification confirmations will be electronically routed and confirmed to fulfill Iowa State University's effort certification requirements within 2 CFR Part 200. That process will be discussed in the section labeled "Workday Effort Certification Process". In this process an effort certification form is electronically routed within Workday to confirm the effort performed on federal and federal flow-thru sponsored projects from which salary was paid as well as cost-shared effort on any federal and federal flow-thru sponsored projects.

This effort certification process will no longer be utilized for the reports mandated by the State through the Office of Institutional Research or the allocation of research space by Facilities, Planning and Management. Those needs will be addressed through other means. This effort certification may also be used to capture effort that needs to be capitalized for projects at Iowa State University.

For additional information on the EASE form and reporting process, see the [EASE Training Manual](#).

For additional information on effort reporting related to NSF and NIH, see [National Science Foundation and National Institutes of Health](#).

INDIRECT COSTS (a.k.a. IDC, Facilities and Administrative Costs (F&A Costs) or Overhead)

Definition of IDC:

The terms **indirect cost**, **facilities and administrative costs (F&A)** and **overhead** are synonymous. Indirect costs, per Uniform Guidance (UG), are those costs that are incurred for common or joint objectives, and therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any institutional activity. Indirect costs are normally classified under the following categories: depreciation and use allowance, general administration expenses, sponsored projects administration expenses, operation and maintenance expenses, library expenses, departmental administration expenses, and student administration and services expense.

Indirect costs may more usefully be defined as the cost of using the University's facilities and administrative support.

Indirect cost is not profit; instead it is the real costs of research that are initially paid from other non-sponsored accounts -- state funds, for example. By collecting indirect costs from sponsors, Iowa State is recovering some of the expense of doing research.

Our current negotiated maximum indirect cost rates are:

On campus (07/01/20 to 06/30/24)	Organized Research	53%
On campus (07/01/20 to 06/30/24)	Instruction	53%
On campus (07/01/20 to 06/30/24)	Other Sponsored Activities	33%
Off campus (07/01/04 to 06/30/12)	All Programs	26%

Off campus is defined as activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s). Grants will not be subject to more than one F&A cost rate. If more than 50% of a project's ISU activities are performed off-campus, the off-campus rate will apply to the entire project.

A copy of Iowa State's Rate Agreement, plus the Components of Published Indirect Cost Rates can be found following this section. The agreement can also be found on OSPA's website.

The University's indirect cost rate is developed by comparing its indirect costs to its direct costs. For example, say indirect costs are \$23 million and direct costs are \$50 million. The calculated rate would be 23/50ths or 46 percent. The US Department of Health and Human Services, the University's cognizant Federal agency, approves the rate and its calculation. It should be noted that sponsors might require that a lower rate be used.

Per UG federal agencies shall use the negotiated rates for F&A costs in effect at the time of the initial award throughout the life of the sponsored agreement. 'Life' for the purpose of this subsection means each competitive segment of the project.

The negotiated rate in effect at the time of the initial award should be used throughout the life (competitive segment) of the project. If the life of the project extends beyond the length of the F&A rate agreement, the rate approved for the last negotiated F&A period shall be extended through the end of the competitive segment.

How it is computed:

For most awards, indirect cost is calculated by multiplying Modified Total Direct Costs (MTDC) times the indirect cost rate.

MTDC is equal to Total Direct Costs less equipment, capital expenditures, rental costs of off-site facilities, scholarships (tuition), participant support costs and the portion of subcontracts in excess of twenty-five thousand dollars.

Although MTDC is the most commonly used method of computing indirect costs, other methods for computing indirect costs are negotiated with the University. For example, some awards allow indirect cost to be charged on all direct expenses, while other awards exclude certain items usually included in MTDC (e.g. student travel and participant support costs) in computing the indirect costs.

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1426004224A1

DATE:06/29/2020

ORGANIZATION:

Iowa State University
 3607 Administrative Services Bldg.
 Room 1635
 Ames, IA 50011-2042

FILING REF.: The preceding
 agreement was dated
 06/26/2019

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	07/01/2018	06/30/2020	53.00	On Campus	Organized Research
PRED.	07/01/2016	06/30/2020	53.00	On Campus	Instruction
PRED.	07/01/2016	06/30/2020	33.00	On Campus	Other Sponsored Activities
PRED.	07/01/2016	06/30/2020	26.00	Off Campus	All Programs
PRED.	07/01/2020	06/30/2024	53.00	On Campus	Organized Research
PRED.	07/01/2020	06/30/2024	53.00	On Campus	Instruction
PRED.	07/01/2020	06/30/2024	33.00	On Campus	Other Sponsored Activities
PRED.	07/01/2020	06/30/2024	26.00	Off Campus	All Programs
PROV.	07/01/2024	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2024.

INCENTIVE PROGRAM

Qualifying Programs:

The indirect cost incentive program was originally established to encourage PIs to obtain full indirect cost recovery on awards. Fifteen percent of indirect cost charged on qualifying awards is credited back to the PI's incentive account in the PI incentive series.

In order to qualify for incentive, the award must bear the full allowable indirect cost rate applicable. If the sponsor limits recovery to a certain percentage, this is considered full allowable recovery.

In addition, if a multi-year project is awarded with the full allowable indirect cost rate, and ISU's negotiated indirect cost rate increases during the life of the award, the award will continue to qualify for the incentive program even if the sponsor holds the indirect cost rate to its original level.

Who Qualifies for Incentive Accounts:

To be eligible for incentive, an individual must be listed as a PI or Co-PI or Key Person on a Streamlyne PD for the funded proposal. All ISU faculty and staff can serve as Co-PIs on sponsored projects. PI Eligibility Requirements are found on the Office of the Vice President for Research's website at: <https://research.iastate.edu/policies-procedures-tools-assets/principal-investigator-eligibility-guidelines/>.

In addition, the following individuals are not eligible to receive incentive distribution:

- Term Faculty (Clinical Track, Teaching Track, Practice Track, Adjunct, and Lecturers) who have been on appointment for less than five years
- Term P&S employees
- Undergraduate Students, Graduate Students, and Post Docs
- Affiliates who are Federal Employees
- Visiting Faculty, Visiting Scientists, and other Visiting Scholars

Please note: All Tenured, Tenured-Eligible and Research Track Faculty are eligible for incentive distribution.

How Incentive is Calculated:

The 15% incentive is calculated based on the amount of indirect costs which post for a month. The actual posting of the incentive funds will appear in Workday on the 3rd working day of each month as part of the month-end closing process. For example, if \$1,000 of indirect costs post in March, then \$150 ($\$1,000 * 15\%$) of incentive will post to the PI's incentive account around April 3rd as a March period transaction.

If incentive is split among two or more PIs, then the incentive will be distributed based upon the percentages entered on the Streamlyne PD. Workday truncates the incentive split between multiple PI's, therefore additional percentage distribution from the truncation is added to the lead PI's incentive account and the department/center is responsible for moving the truncation percentage from the lead PI's incentive account to the additional PI's incentive account. The PI incentive distribution can be found in Workday under the Award Credits section.

Limitations on Incentive Accounts:

The incentive account (PIIN) must always maintain a positive cash balance. The PIIN account is funded monthly by a transfer of 15% of the indirect posted on each qualifying award. Transfers will occur during the month after the indirect posting month (the incentive related to January indirect postings will post to the PIIN account in February).

Incentive is transferred from the IDC holding account, not the research award. The effects of the incentive program never appear in the accounting of the award.

A PI will have only one incentive account regardless of the number of awards that are generating incentive. A new incentive account will not be set up when a PI transfers cost centers.

Establishment of a PIIN Account:

Within Workday, SPA sends a PIIN request to FAR to establish a new PIIN. The request includes the program name to be established, netID of the assignee (PI) and the cost center associated with the program for the PI. Currently SPA looks up the information for the associated PI via the employee information tab and refers to their associated supervisory org code.

While the individual may be working 100% for a center/institute, the PIIN is set up under their supervisory code.

PGXXXXXX – Stat – Jane Doe - PIIN – LAS

Their related worktags on the program set up would be related as:

Cost Center: CC5588 LAS Statistics
Business Unit: BU23 Liberal Arts and Sciences
ISU Resource Type: IRT1074 PIIN-PI Incentive
Fund: FD02 Current Unrestricted
Function: Academic Support
Assignee: Doe, Jane

Once this PIIN is established, changes cannot be made to any of the related worktags. Therefore when a PI transfers between supervisory organization or cost centers, a new PIIN account must be set up. The SPA accountant is to be notified of the need for the change. Once the new PIIN account is established by FAR and SPA has updated all related award credits. Finance Delivery will transfer the balance from the old inactive PIIN account to the newly established PIIN account.

The PIIN account will remain active as long as the PI is associated with the ISU and the account has a positive balance. If a PI leaves the university or retires, the unspent balance in the incentive account will revert to the PI's associated department/unit at the time of their departure from ISU.

Center Director Incentive Accounts (MINCTV accounts):

Center Direct accounts are related to Centers who choose to have their PI incentive 15% distribution go towards the Centers Incentive account and not directly a PIIN account.

These have to be manually adjusted within Workday on setup and must be noted on the Streamlyne PD when a MINCTV account is to be used and not a PIIN account.

Within Workday, MINCTV cannot be created until the Center is approved through the Board of Regents and the cost center is set up within Workday by IR and FAR. Once this is completed, SPA sends a MINCTV request to FAR to establish a new MINCTV. The request includes the program name to be established, netID of the assignee (center director) and the cost center associated with the Center.

When a cost center is set up, in this example the naming convention would be:

PGXXXXXX - Center Director CoMFRE - Smith - MINCTV – ENGR

Their related worktags on the program set up would be related as:

Cost Center: CC6728 ENGR CoMFRE
Business Unit: BU21 Engineering
ISU Resource Type: IRT1109 MINCTV-Research Center Incentive
Fund: FD02 Current Unrestricted
Function: Academic Support
Assignee: Smith, Joe

Once this MINCTV is established, changes cannot be made to any of the related worktags.

Allowable expenditures are:

- Defined by applicable state laws and administrative code, Board of Regents policies and University policies.
- Subject to the policies of a department or college which may be more restrictive than the University's policies.
- Not under the same restrictions as the grant from which it was generated. When the incentive funds are distributed, they become University funds and are no longer considered sponsored funding.

Appropriate expenditures include those that are:

- Necessary and beneficial to the University
- Reasonable - would it pass the Des Moines Register test?
- Adequately documented
- Have a University business purpose

Some examples of unallowable expenses on an incentive account include:

- Alcoholic beverages, unless the use is for cooking, research or course study.
- Flowers or gifts of any kind in connection with the illness or death of employees or family members. Flowers used for public functions, such as retirement parties and convocations, are allowable when they serve a business purpose.
- Employee hospitality functions such as Christmas parties and Administrative Professionals' Day lunches. Annual departmental retreats and retirement parties with a business purpose are allowable.
- Items for employee use only, such as coffee, coffee pots, refrigerators, microwaves, etc., are unallowable. This does not preclude a unit from initially charging coffee to a University fund, except for federal sources, and then collecting employee funds to reimburse the University account.

The department and the college are ultimately responsible for providing information on the business purpose and determining that an expenditure is allowable and appropriate. For more information, please refer to Allowability and Appropriateness section.

Closing an Incentive Account:

A PI Incentive account remains active as long as it has a positive balance and the PI is associated with the University. If a former employee is given affiliate status, collaborator status or emeritus status, then the PI Incentive account will also remain active. If the PI leaves or retires, the unspent balance in the incentive account will revert to the PI's associated department/unit at the time of their departure from ISU.

The balance must be transferred to a residual account and must be approved by the department/research unit chair. Financial Accounting and Reporting will complete the process for closing an PI Incentive account.

SUBRECIPIENT MONITORING GUIDE FOR PRINCIPAL INVESTIGATORS

Iowa State University is responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of federally sponsored funds. This includes monitoring the activities of the subrecipient to ensure the subrecipient agreement is used for authorized purposes in compliance with federal regulations.

We have developed the "Subrecipient Monitoring Guide for Principal Investigators" to help explain the PI's responsibilities associated with the subrecipient monitoring process under Uniform Guidance.

General Information:

The Office of Management and Budget (OMB) combined many federal circulars into a single guidance document to be used by all federal agencies. This combined document is known as "Uniform Guidance" and went into effect December 26, 2014.

The Uniform Guidance is an attempt to bring uniformity to the funding regulations provided by federal agencies to their award recipients. The ultimate goal is to streamline the requirements for federal grants and cooperative agreements and reduce administrative burden and financial fraud, waste and abuse.

For federal or federal flow-through awards with subrecipient agreements, the Uniform Guidance has made significant changes which impact the administration of these agreements.

Iowa State University is responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of federally sponsored funds. This includes monitoring the activities of the subrecipient to ensure the subrecipient agreement is used for authorized purposes in compliance with federal regulations.

As a Principal Investigator with an award that has a subrecipient agreement, we have developed this guide to help explain your responsibilities associated with the subrecipient monitoring process under the Uniform Guidance.

Principal Investigator Subrecipient Monitoring Requirement:

Uniform Guidance requires the monitoring of subrecipients to include:

- Monitoring the receipt of technical reports and the review of these reports to ensure that the subaward performance goals are achieved and documenting the receipt and review of these reports.
- Reviewing and approving subrecipient invoices to make sure the expenses follow the subrecipient approved budget and are reasonable relative to the work performed.
- Monitoring subrecipient progress by performing periodic evaluations in the form of on-site visits, and/or regular communication and documenting the visits or communications in your files.
- Requesting "audits" if necessary.
- Follow up on any deficiencies identified through audits or on-site reviews.

The above list is not exhaustive. In addition to the items outlined above, there may be other sponsor or program imposed requirements that mandate collecting and documenting other assurances (e.g. use of lab animals, human subjects, biohazards, etc.) during the course of a project.

Technical Reports:

- Know your required technical report submission dates and make sure your subrecipient also submits technical reports to you prior to those dates.
- Know that the Uniform Guidance requires review of subrecipient technical reports. Review subrecipient technical reports on a timely basis (within 30 days of receipt) for achievement of programmatic goals.
- Investigate unusual or unforeseen activities and, if appropriate, retain documentation of justifications and approvals.
- In some cases a subrecipient's terms may require specified deliverables in addition to, or in lieu of, technical reports.

Re-budgeting or Budget Deviations:

In general your subrecipient needs approval from ISU for items not in the original budget such as equipment, subrecipient agreements, and participant support costs.

Invoices:

Review invoices for the following:

- Do costs incurred follow the subrecipient's approved budget?
- Are costs reasonable based on the amount of work performed and the activities reported in the technical report?
The Grants Finance Specialist documents your review and approval of the Workday Supplier Invoice by attaching your email reply.

If you don't feel comfortable with the charges because charges are unusual, excessive, or appear unrelated to the project, you have the right to request clarification and details from the subrecipient for invoiced charges.

Examples of detailed support may include:

- Copies of payroll records
- Copies of paid invoices and receipts
- Written justification for expenditures
- Sole source justification if required by Federal guidelines
- Descriptions of services rendered by consultants including hourly rates and time reports
- Detail of travel charges incurred stating the purpose and amounts charged for airfare, meals, lodging, ground transportation, etc.

Costs determined to be unallowable or unreasonable should be disallowed. Contact your Sponsored Programs Accountant if there's a problem.

The Uniform Guidance suggests enforcement action can be taken, when warranted, against a non-compliant subrecipient. These actions include:

- Temporarily withholding cash payments pending correction of deficiency. Examples of deficiencies could include delinquent technical reports, excessive costs, etc.
- Disallowing all or part of the activity not in compliance
- Wholly or partly suspending or terminating the subrecipient agreement
- Taking other legal remedies

On-Site Visits:

On-site visits may be a useful monitoring tool. On-site visits conducted by you, the PI, can be used to assess the progress of the subrecipient's objectives for the project as well as to evaluate the appropriateness of their charges. These visits should be documented with correspondence, meeting notes, trip reports, etc. and retained on file.

For questions regarding subrecipient monitoring please contact: Sponsored Programs Accounting, spa@iastate.edu

FIXED PRICE AWARDS RESIDUAL BALANCE

The purpose of this procedure is to ensure timely closeout of completed fixed price award accounts and the proper disposition of any unexpended residual balances. A significant residual balance may call into question the integrity of budgeting for project costs and accounting for project expenses incurred. This procedure is needed to strengthen accountability and use of funds, provide for accurate budgeting and costing of fixed price award activities, ensure accurate reflection of effort in the effort certification process and lower the risk of non-compliance

A fixed price award is a sponsored program agreement between the university and an external party (sponsor) where the university agrees to perform specific project deliverables within a specified time frame in exchange for a set (fixed) amount. If the deliverables are not completed within the award period, the agreement must be extended.

The expectation is that a fixed price award account will be charged the actual expenses incurred for the project. If project costs were sufficiently estimated at the proposal stage, expenses on the fixed price award should closely match the awarded amount. Departments must ensure costs appropriate to fixed price projects are not incorrectly charged against cost reimbursable projects or federal sourced projects.

A fixed price award will have a residual balance when the total payments received for the deliverables exceed the total expenses incurred, resulting in unspent funds at the conclusion of the project. In order for an unspent balance to be considered a residual balance, it must meet the following conditions: all deliverables must have been completed, all costs incurred to meet the deliverables of the agreement have been charged to the account, and all payments from the sponsor have been received.

Close-Out Procedures:

The administering department will have 90 days after the project's end date to charge expenses to the fixed price account.

The fixed price award will be closed out after all payments have been received from the sponsor and all encumbrances have been cleared. F&A (indirect) costs will be charged when the residual balance is transferred. The F&A charged will be distributed as part of the month end RMM IDC distribution process. PI Incentive will be distributed the same as past postings for the fixed price award.

Residual Balance – Less than 25% of total project budget OR less than or equal to \$10,000

Sponsored Programs Accounting will transfer the residual balance to a discretionary account designated by the administering department's department chair or their delegate.

Example:

A fixed price award was negotiated for \$90,000 and payments totaling \$90,000 were received for the project's deliverables. The budget for direct costs totaled \$60,000 for salaries and benefits, and the budget for indirect costs totaled \$30,000 at a 50% F&A (indirect) rate. Actual expenses incurred were \$75,000 (\$50,000 salaries and benefits and \$25,000 indirect costs). The residual balance is \$15,000 (total budget (\$90,000) less total expenditures (\$75,000)). This residual balance equals 16.67% of the total project budget.

Result:

\$10,000 to discretionary account designated by administering department, \$5,000 to F&A (indirect) costs

Residual Balance – More than or equal to 25% of total project budget AND more than \$10,000

Sponsored Programs Accounting will transfer the residual balance to a discretionary account designated by the administering college or unit's dean or vice president, or their delegate.

Example:

A fixed price award was negotiated for \$150,000 and payments totaling \$150,000 were received for the project's deliverables. The budget for direct costs totaled \$100,000 for salaries and benefits, and the budget for indirect costs totaled \$50,000 at a 50% F&A (indirect) rate. Actual expenditures incurred were \$105,000 (\$70,000 salaries and benefits and \$35,000 indirect costs). The residual balance is \$45,000 (total budget (\$150,000) less total expenditures (\$105,000)). This residual balance equals 30% of the total project budget and exceeds \$10,000.

Result:

\$30,000 to discretionary account designated by the administering college/unit \$15,000 to F&A (indirect) costs

REVISION OF BUDGET AND PROGRAM PLANS

Many federal agencies have transferred the authority to approve a variety of post-award changes. The table shown below applies to federal awards, which are subject to UG. All requests for prior approval must be in writing and well justified. The Office of Sponsored Programs Administration (OSPA) must review and countersign each request.

ITEMS REQUIRING AGENCY PRIOR APPROVAL	ITEMS REQUIRING PRIOR APPROVAL *
<ul style="list-style-type: none"> ◆ Change in scope or objective of project ◆ Change in PI and/or key personnel ◆ Absence for more than three months, or a 25% reduction in time devoted by the PI ◆ Need for additional federal funding ◆ Transfer of funds allotted for training allowances (direct payments to trainees) into other categories ◆ Subaward or transfer of significant portion of work, unless approved in original award ◆ Preaward spending more than 90 days prior to start date of award ◆ Re-budgeting of direct costs categories where federal award is >\$250,000 and cumulative amount of transfers exceeds 10% of total budget 	<ul style="list-style-type: none"> ◆ Purchase of equipment not in approved budget ◆ Preaward spending within 90 days prior to start date of award ◆ Request for a one-time no-cost extension of up to 12 months, provided reason is not simply to spend remaining funds <p>* In general, ISU has expanded authority to approve these items, but there may be some sponsors who require approval directly by the sponsor. Check with your SPA accountant for information for a specific account.</p>

Extensions:

Some sponsors, and typically all federal sponsors, require that no-cost extensions be requested several weeks prior to the termination date. Once past this window of opportunity for making a request, the extension may no longer be possible. In general, we have also found that non-federal sponsors look much more favorably upon requests for extensions which are received prior to the termination date rather than an extended period of time after the termination date. This allows any necessary adjustments to the agreement to be completed prior to the lapse of the award.

You will note that if an award is fixed price, meaning unspent funds at termination do not need to be returned to the sponsor, an extension should be requested if the deliverables will not be made before the final due dates indicated in the award documents.

How to request an extension:

There are two methods used for requesting an extension of the termination date on an award. The sponsor specifies the method to be used either in the agreement itself or in its governing regulations. Both methods utilize the No-Cost Extension Request Form available on the OSPA website at: <http://www.ospa.iastate.edu/Forms/>

Method 1 - ISU has expanded authority. Expanded authority means that ISU can internally approve the request. In this case, the request form should be completed and sent to Office of Sponsored Programs Administration (OSPA). OSPA will review the request and notify the sponsor of the extension approval. Again, in most cases, ISU must notify the sponsor "X" number of days prior to the termination date.

Method 2 - Approval must come directly from the sponsor. If ISU does not have institutional authority, the request form should be completed and sent to Office of Sponsored Programs Administration (OSPA). OSPA will review the request and compose a request memo to the sponsoring agency.

Regardless of the method used, the following information will need to be provided:

1. The new termination date being requested,
2. Justification for the no-cost extension (how needed to further the objectives of the project), and
3. Budget information, including anticipated unspent balance and plans for the use of unspent funds. (Note: funds remaining after the project is completed is not a sufficient reason to request an extension and may be denied by the sponsor.)

Preaward Spending:

Expenditures cannot be incurred before the effective date on cost-reimbursable awards. Depending on the award terms, the sponsor or OSPA can approve preaward spending up to 90 days prior to the start date of the award.

Spending more than 90 days before the start date on cost-reimbursable awards always needs to be approved by the sponsor. Contact your SPA accountant for specific sponsor policy information.

Re-budgeting:

Re-budgeting is simply an approved shift of dollars from one budget line item to another. If the source of funds is federal, it should be assumed there are budget restrictions. Federal awards require prior approval--that is, approval of the expense prior to its being incurred. Documentation of the approved budget in the Sponsor's award notice constitutes prior approval. If the expense has not been identified in the sponsor-approved budget, then approval must be obtained. For federal awards there are generally two scenarios where approvals will be required. They are as follows:

Line Item Restrictions - Virtually all federal awards contain line item restrictions on equipment, trainee allowances, and subcontracts. As such, these items must be expressly authorized in writing in the award document.

Budget Deviations - Many awards require prior approval if a cost category will exceed its budget by a set percentage. For example, the total of a budgeted line item could deviate by up to 10% of the total budget before re-budgeting is needed. In such cases, re-budgeting is necessary after the specified percentage of deviation is anticipated or exceeded. This provision will be outlined in the award document or sponsor guidelines. The ultimate responsibility for appropriateness of the expenditure's rests with the PI, department, and college/unit. It is imperative that persons in the department who are assigned fiscal responsibility have a copy of the award document, review its terms and conditions, and are knowledgeable of the UG concerning allowability for federal awards.

Re-budgeting Procedures:

While procedures for re-budgeting vary from sponsor to sponsor, there are two basic methods which are used. The procedure to be used is normally outlined in the award documents or sponsor guidelines. However, if it is not, contact Sponsored Programs Accounting to get a determination of which method applies.

- ◆ The **sponsor** must themselves approve the re-budgeting request, or
- ◆ The **Office of Sponsored Programs Administration (OSPA)** approves in writing the re-budgeting request for the sponsor under prearranged institutional expanded authorities.

The re-budgeting request is two-sided. If one budget line item is to be increased, another budget line item must be decreased. Each re-budgeting request should contain the following information:

- The dollar amount by which budget line items are to be increased or decreased, taking into consideration indirect costs as well as direct costs, if the sponsor allows indirect to be re-budgeted.
- The items involved in the request. For example, a piece of equipment desired.
- An explanation specifying the need and/or reasons justifying the budget revisions and its relevance to the project.

Once all the above information is obtained, complete the Re-budget Request Form (available at <http://www.ospa.iastate.edu/forms/>) and send the request to OSPA.

Absence of Principal Investigator

For federal awards, sponsor approval is required whenever a principal investigator will be absent from a project for more than three months, or there will be a 25 percent reduction in time devoted to the project. For example, a PI with a 12% effort commitment level would need to obtain approval if his or her effort was reduced to 9% or lower. The approval request should be made directly to the sponsor and countersigned by Director of OSPA.

COST TRANSFERS

Federal agencies and their auditors place a great deal of emphasis on reviewing transfers of expenditures, particularly those involving overspent accounts or those made after the termination date. All projects should be reviewed two to three months prior to termination to be certain all expenditures have been properly charged. Any over expenditures on sponsored projects must be covered from unrestricted nonfederal funds, such as incentive or departmental funds. This restriction is a federal regulation within UG.

Cost Transfer Rules:

- Costs CAN NOT be transferred from overspent accounts to federal accounts or federal flow-thru accounts. An exception is made for federal continuation accounts which must meet certain criteria
 - no funding gap between award periods,
 - same project title, and
 - same/similar sponsor award number.
- Costs from overspent accounts CAN be transferred to non-federal accounts.
- Costs on cost-reimbursable accounts must be incurred during the award period.
- Costs transferred **TO** federal accounts must be made within 90 days of the transaction date OR within 90 days of the federal account being established. **
- Transfers of salary must always include the proportionate share of both salary and benefits.

*** This excludes payroll transactions which post to the null (allocation has no driver worktag: project, program, gift or grant). These transactions on the "from" side will have no driver worktag thus they did not post within Workday.*

Utilizing these rules:

Only if the federal funds to be received are truly continuation funds should an established federal account be used to hold costs until the additional federal funds are received.

In all other cases where there are costs that need to be incurred on federal projects before the award is received, a request for an advanced account number should be processed. An advanced account number should be utilized whenever the new award is not continuation funding (e.g. a new competitive period) or it is unknown whether the federal funding will be continuation funding.

In summary:

Cost Transfers

FROM: Account not overspent.....TO: Any appropriate account with funding
FROM: Overspent account.....TO: Any appropriate non-federal account with funding

- An overspent non-federal account's costs **cannot** be transferred to a federal account.
- An overspent federal account's costs **can** be transferred to a continuation federal account or non-federal appropriate account.
- An overspent non-federal account's costs **can** be transferred to an appropriate non-federal account.
- An overspent account's costs **can** always be transferred to an unrestricted source (incentive funds or departmental program funds).

EQUIPMENT

An item must meet all of the following criteria to be classified as equipment:

1. Moveable property with a useful life of one or more years and a unit acquisition cost of \$5,000 or more
2. Identifiable
3. Not a replacement part
4. Permits the attachment of a university inventory control number

Authorizations:

In general, purchases of equipment must be specifically authorized in the award document or have received prior approval from the sponsor. **ALL EQUIPMENT PURCHASE REQUISITIONS (> \$5,000) FOR GR-XXXXX, FEDERAL, FEDERAL FLOW-THROUGH AND STATE ACCOUNTS NEED TO BE ROUTED THROUGH SPONSORED PROGRAMS ACCOUNTING (SPA) FOR APPROVAL.**

Utilization:

Equipment purchased with federally sponsored funds is to be used on the original project as long as it is needed. Once it has been determined that the equipment item is no longer needed for the original project, the equipment item should be utilized on other federally sponsored projects in the following order: (1) activities sponsored by the federal agency that funded the original project, then (2) activities sponsored by other federal agencies. Equipment is to be made available for shared use with other activities, as long as the shared use will not interfere with the original project. First preference for shared use should be given to other projects funded by the federal agency that funded the original project; second preference for shared use should be given to projects sponsored by other federal agencies. There can be no user charges to other University departments for equipment purchased with federal funds.

Ownership:

Most Federal agencies require that any item of equipment purchased be retained for continued use throughout the life of the award. Some sponsors may also reserve the right to transfer title of equipment to another party after the end of the grant period. Therefore, equipment purchased with federal or state funds should not be sold, traded or transferred without the approval of Sponsored Programs Accounting.

In some instances, an award may provide for the purchase of equipment that is to remain with a third party after the award has ended. For example, the U.S. Department of Education provided funding for equipment at several community colleges. Equipment was budgeted to provide each community college with a computer system. ISU processes the purchases, tags the equipment and puts them on ISU inventory prior to shipment to the community colleges. Since ISU does not have unrestricted title to the equipment, the equipment must be tagged and remain on ISU inventory until the project was completed. After termination, ISU obtained written documentation from the community colleges transferring responsibility and title to the property and removed the equipment from ISU inventory.

Government Furnished/Contractor Held:

Equipment furnished or loaned to ISU from the federal government must be tagged and put on ISU inventory and identified as federally owned equipment. Upon receipt of transferred equipment, please notify the ISU Inventory Office and send the ISU Inventory Office a copy of the agency transfer document. Federally owned equipment may not be transferred, disposed, or removed from campus without prior written approval from the federal agency.

Construction of Equipment:

If a department is constructing an asset, obtain an inventory number from the inventory office. Use this inventory number on all future purchase requisitions. The components purchased will be included as part of the equipment item. **CONTACT THE INVENTORY OFFICE BEFORE MAKING ANY PURCHASES.**

Transfer and Sales of Equipment:

When a faculty member leaves ISU for another educational institution, the faculty member often wishes to transfer or sell equipment items purchased by ISU to the new employing institution. These procedures only apply to the specific situation described herein, where a faculty member or researcher wishes to sell or transfer equipment items owned by ISU or the federal government to another institution, where the faculty member, principal investigator or researcher will be employed after leaving Iowa State University. All other sales or transfers of equipment are to be coordinated through ISU Surplus consistent with university policy, including any contemplated sales to retiring or former employees, which generally are not permitted.

See Equipment/Excess Property Disposal Policy at: <https://www.policy.iastate.edu/policy/equipment/disposal/>

The following procedures are to be used for equipment transfers and sales:

1. The departing faculty member prepares a list of equipment items requesting to be transferred or sold. This listing should be prepared not less than sixty (60) days before the faculty member leaves ISU. For each item, the listing needs to include the following information from the ISU Equipment Inventory System: ISU equipment tag number, description of the item, voucher date(s), combined cost of the item, the ISU account number(s) that funded the purchase, amounts charged to each ISU account number(s), and owner (i.e., Iowa State University, Sponsor Restricted, Federal Loan, or Internal Lease).
2. The ISU account numbers on the request need to be reviewed to determine if any AWD account numbers are listed for the equipment items.
 - a. If the AWD account number is or was a federal contract or contract subject to FAR clauses or the owner of the item in the ISU Equipment Inventory System is 'Sponsor Restricted' or 'Federal Loan', then the item cannot be transferred or sold unless written approval is obtained from the sponsor/federal agency. These items are to be used only for the purposes authorized by the contract. Excess US Government-owned property (equipment no longer required in performance of the contract) cannot be transferred or sold without written authorization from the federal agency. The faculty member or department should contact the Assistant Manager of Sponsored Programs Accounting if they wish to transfer or sell any equipment items meeting the above stated conditions.
 - b. If the AWD account number (project) is currently active and the project is being transferred to the new institution, then the faculty member must generally request approval from the sponsor to transfer the equipment item. This request to the sponsor also needs to be countersigned by OSPA. There may be other issues related to the transfer of the project that also need to be considered.
 - c. If the AWD account number is from a federally funded project that is not active (i.e. the project is past the termination date) and was not a federal contract, then the depreciated value (ISU Equipment Inventory System's book value) must be determined.
 - i. If the depreciated value is more than \$5,000, the following federal regulations apply.
 1. When the equipment item is no longer needed for the original project or program, the item should be used for other federally-sponsored activities in the following order of priority: (1) activities sponsored by the federal agency which funded the original project, then (2) activities sponsored by other federal agencies.
 2. When the equipment item is no longer needed by ISU, then the item may be used for other activities as follows: ISU may retain the equipment for other uses after compensating the federal government. If ISU has no need for the equipment item, ISU should request disposition instructions from the federal agency. ISU can request transfer of the item without cost to the new institution. The federal agency is required to issue instructions within 120 days of the request.
 - ii. If the depreciated value is less than \$5,000, the department chair should first consider the existing equipment needs in the department. The priorities from the federal regulations listed above in 2.c.i.1. should be utilized. When the item is no longer needed by ISU, the item may be sold to the new employing institution.
 - d. If the AWD account number is from a non-federally funded project which is not active (i.e. the project is past the termination date) and the owner of the item in the ISU Equipment Inventory System is NOT 'Sponsor Restricted', the department chair should consider the existing equipment needs in the department. When the item is no longer needed by ISU, the item may be sold to the new employing institution.
 - e. If accounts other than sponsored program accounts (non-AWD accounts) are listed, the department chair should consider the existing equipment needs in the department. When the item is no longer needed by ISU, the item may be sold to the new employing institution.
3. The department chair should review the listing of equipment items to be transferred or sold. The department has every right to retain the non-restricted equipment items for the department's use on other projects. The departing faculty member is not "entitled" to this equipment. The department is responsible for ensuring correct procedures are followed. The department chair needs to sign off on the listing indicating approval of the items to be transferred or sold.
4. The minimum sales prices need to be determined by ISU Surplus for the equipment items, unless the equipment items are being transferred without cost to the new employing institution under one of the following scenarios: (1) items were purchased on an active project which is being transferred to the new institution (transfer approvals vary by sponsor); or (2) written approval for the equipment transfer has been received from the sponsor/federal agency. For non-fully depreciated items, the minimum sales price is the current depreciated value (book value). For fully depreciated items, the minimum sales price is generally 5-10% of the original cost. Contact the ISU

Surplus Supervisor for determination of the sales price. The department can choose to charge the acquiring institution more than the minimum sales price for an item. Shipping and handling fees are to be paid by the new institution.

- a. Items to be sold: The department completes an Excess Property Disposal Form indicating the equipment items and estimated sales prices. The form and attached listing (see 1. above) are routed to the ISU Surplus Supervisor for review and approval of the sales prices. If any AWD accounts are listed, the ISU Surplus Supervisor will request approval of the sale from the Assistant Manager of Sponsored Programs Accounting. The ISU Surplus Supervisor will communicate with the department after reviewing the form.
 - b. Transferred Items: The sponsor indicates approval in writing of the equipment and/or project to the new institution. This approval is sent or forwarded to OSPA for the award file. A copy of the approval will be forwarded to the ISU Inventory Control Office Accountant by Sponsored Programs Accounting.
5. The ISU department chair prepares a confirmation memo to the department chair at the new institution detailing the items to be transferred or sold with related sales prices. The Assistant Manager of Sponsored Programs Accounting can be contacted if assistance is needed with this memo. The memo should be copied to ISU Surplus and Sponsored Programs Accounting and contain the following statement for the new institution to sign and return after receipt of the items: "(Institution Name) acknowledges that we have possession of the equipment items listed below and have added the items to our inventory records. We agree to provide equivalent insurance coverage as is provided to other property owned by our institution. By accepting the terms under which this equipment is sold/transferred, (Institution Name) has no further obligation to Iowa State University." After this statement and a listing of the items, the confirmation memo should contain a signature line for the Inventory Office at the new institution to sign and send back to the ISU department after receipt of the equipment items. If federal-sourced funds purchased the item, the following statement should be included in the memo: "We also agree that we will not charge the US federal government or federal-sourced projects for the use of this property." The ISU department is responsible for obtaining the new institution's signature on this memo
 6. If the equipment items are sold, the new institution buying the items will issue a Purchase Order to Iowa State University, ISU Surplus, 925 Airport Road, Ames, IA 50010-8217 or email the Purchase Order to surplus@iastate.edu
 7. A departmental representative should be present when the equipment items are packed up to leave ISU to ensure only the items on the list are shipped to the new institution. Shipping and handling fees are to be paid by the new institution. Payment from the new institution must be made within 30 days of receipt of the equipment items. Payment should be sent to the ISU address listed in 6 above. Once payment has been made, ISU Surplus will issue a receipt to the new institution. The funds will be deposited into the ISU department's ARP account.
 8. Once the confirmation memo has been signed and returned from the new institution to the ISU department, a copy of the signed confirmation memo should be sent to the ISU Inventory Control Office, 3609 ASB. The Inventory Control Office will then remove the equipment items from ISU equipment inventory records and forward a copy of the memo to Sponsored Programs Accounting.

Please contact the Assistant Manager of Sponsored Programs Accounting or the ISU Surplus Supervisor, if you have any questions on equipment transfers and sales.

US Government-owned Property Control Manual:

This manual provides general instructions and procedures for ISU departments to use in controlling and managing US Government-owned property held by ISU. US Government-owned property includes both US Government-furnished property and property acquired by ISU where the title vests with the US Government.

<http://www.controller.iastate.edu/spa/PropertyControlManual.pdf>

Participant Support Costs Guidance

The below PSC Guidance is for awards subject to the 10/1/2024 version of Uniform Guidance 2 CFR 200. Guidance for awards subject to Uniform Guidance prior to 10/1/2024 can be found under Appendix C.

This guidance document is based on the federal requirements for Participant Support Costs set forth in [2 CFR 200 \(Uniform Guidance\)](#) published in the Federal Register on 4/22/2024 and effective 10/1/2024. This guidance must be consistently applied to all ISU federally sourced (prime and flow-through) funding.

Definition of Participant

Participant generally means an individual participating in or attending program activities under a Federal award, such as trainings or conferences, but who is not responsible for implementation of the Federal award. Individuals committing effort to the development or delivery of program activities under a Federal award (such as consultants, project personnel, or staff members of a recipient or subrecipient) are not participants. Examples of participants may include community members participating in a community outreach program, members of the public whose perspectives or input are sought as part of a program, students, or conference attendees.

Definition of Participant Support Costs

Participant Support Costs means direct costs that support participants (see definition for Participant) and their involvement in a Federal award, such as stipends, subsistence allowances, travel allowances, registration fees, and per diem paid directly to or on behalf of participants.

Participant Support Costs (PSC) are direct costs paid to or on behalf of participants or trainees, for their participation in meetings, conferences, symposia, workshops or other training projects. If the primary purpose of an individual's attendance at a conference or event is learning and receiving training as a participant, the costs may be included under participant support costs.

Participant Support Costs:

- Are included as a separate budget category in the federal project's proposed budget
- Are separately categorized in the proposal's budget justification and the number of proposed participants must be indicated
- Each type of PSC cost (e.g. subsistence allowances, travel allowances, registration fees, etc.) must be separately identified and justified in the proposal's budget justification
- Are not the same as incentive payments given to human research subjects
- Must be accounted for in a separate ISU grant worktag
- May be subject to additional sponsor terms or regulations
- May not be rebudgeted to other direct cost categories without prior written approval of the federal agency or sponsor
- Are excluded from the calculation of Indirect Costs (a.k.a. F&A costs) when using an MTDC base
- Are often associated with programs that provide research training or experience for participants, such as the Research Experiences for Undergraduates (REU) and the Research Experiences for Teachers (RET) on NSF projects
- May not be used for non-PSC activities. Unspent PSC budget amounts cannot offset a deficit in the other non-PSC lines of the project, unless prior approval has been received from the sponsor

Allowable PSC expense types:

- Conference or event registration costs and other fees for participants (Exception NSF: Costs related to an NSF-sponsored conference (e.g., venue rental fees, catering costs, supplies, etc.) that will be secured through a service agreement/contract should be budgeted on line G.6., "Other Direct Costs")
- Travel expenses (e.g., transportation, meals, lodging) and related health insurance for participants
- Manuals or training materials for participants
- Stipends for participants
- Housing and subsistence allowances for participants
- Costs for lodging and meals paid directly to the event facility, only if the payment is made on behalf of the participant
- Other participant costs allowed per the proposal guidelines

Unallowable PSC expense types:

- Travel expenses for PI or other ISU employees committing effort to the development or delivery of program activities (primary purpose is to speak or assist with conference or event planning and management)
- Travel expenses for consultants or speakers
- Event support costs (e.g., facility rental, media equipment rental) for non-participants
- Entertainment for participants and non-participants
- Food and refreshments for non-participants
- Payments to consultants, speakers or lecturers
- Incentive payments to human research subjects
- Expenses related to meetings of an administrative nature
- Expenses related to meetings for conference or event planning
- Non-participant expenses of any type

Proposal (Pre-Award) Budgeting for Participant Support Costs

The following is a list of PSC budget categories and what types of PSC costs are included in that category. Please refer to the proposal guidelines to determine what types of PSC costs are allowable.

- PSC Stipends – Funds requested for participant stipends. A stipend is a set dollar amount to be paid directly to the non-employee for participation.
- PSC Travel – Funds requested for travel costs for participants (i.e., transportation, registration fees, meals and lodging) while in ISU travel status. This would include travel to and from ISU for REU site participants and trip expenses for participants.
- PSC Subsistence – Funds requested for subsistence allowances. Subsistence is an allowance granted for housing and meal costs for participants. Where meals and lodging are furnished without charge or as part of a registration fee, the subsistence allowance should be correspondingly reduced.
- PSC Other – Funds requested for PSC cost types not detailed above. Each type of PSC Other costs must be separately identified and justified in the proposal’s budget justification. This category is often closely scrutinized by sponsors; but could include participant tuition, health insurance, materials and supplies to be used by participants, and other costs to be incurred on behalf of participants.

Post-Award Financial Process Overview/Accounting for Participant Support Costs

- Sponsored Programs Accounting will establish a separate secondary grant line for federally sourced awards with amounts budgeted for Participant Support Costs
- The PSC secondary grant worktag will be designated with either “PSC”, “REU”, or “RET” in the name. Example: 0000000000/PSC-ECPE-SMITH
- Indirect Costs (a.k.a. F&A costs) are not charged to PSC grant lines for awards with an MTDC base

PI/Department Responsibilities:

- Know when the proposal guidelines allow for the inclusion of Participant Support Costs
- Where allowed and appropriate, include Participant Support Costs in your proposal’s budget and budget justification
- If Participant Support Costs were not anticipated at time of proposal-- After the award is received, a rebudget request should be submitted to OSPA for approval. If approved, OSPA will send the approved rebudget request to SPA, and SPA will set up a separate ISU grant worktag for PSC.
- Submit a Rebudget Request form to OSPA for ISU to request sponsor approval for rebudgeting funds to decrease any PSC budget category to a non-PSC budget category
- Review SPA financial reports, transactions and source documents to ensure that funds spent out of PSC grant lines are for allowable PSC expenses
- Document the names and number of participant and non-participant attendees at meetings and other events to support the proper allocation of costs

Other Information

Costs that cannot be specifically identified to a participant are not allowed as a Participant Support Costs expense.

A participant does not perform work or services for the project other than for their own benefit. The participant is not required to provide deliverables or any service to the university in return for these Participant Support Costs.

ISU employees and local attendees who are not participants may take part in conference or event meals and coffee breaks, but Participant Support Costs funding may not be used to pay for expenses of non-participants.

If you have questions regarding the budgeting of Participant Support Costs, please contact your OSPA Pre-Award Administrator.

If you have any questions regarding allowability of costs, please contact your SPA Accountant. For questions regarding the process of charging costs, please contact your assigned SPA Accountant or your Grant Finance Specialist.

Resources:

Uniform Guidance 2 CFR 200 (200.1, 200.308, 200.456):

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>

NSF Proposal and Awards Policies and Procedures Guide (PAPPG):

<http://www.nsf.gov/bfa/dias/policy/>

SPA/OSPA Revision Date: 12/18/24

Allocating Tuition* to Grant Worktags

Per the Graduate College Handbook (Chapter 3.3), a graduate student must be appointed to a graduate assistantship for at least three months during the semester (fall or spring) or at least four weeks during the summer term to qualify for a graduate tuition scholarship. This qualification period of three months for the fall and spring semester, and four weeks during the summer session must occur during the period in which classes are in session (from the first day of classes through the last day of classes). Tuition can only be charged for graduate students on appointments who qualify for graduate tuition scholarships. Tuition can only be paid from awards that allow tuition. If tuition is allowable, the graduate assistant's tuition must be paid from the same award as the salary/stipend is paid. Departments are to allocate tuition costs to grants based on the salary/stipend costs of the graduate assistant for the entire semester, or based on the salary/stipend costs for a selected three month period within the 4.5 month compensation periods of 8/16/xx to 12/31/xx for the fall semester and 1/1/xx to 5/15/xx for the spring semester.

Example:

A graduate assistant was paid from an NSF account for the period 8/16/xx to 11/30/xx and from an NIH account from 12/1/xx to 12/31/xx. Tuition could be allocated using any of the following methods:

Full Semester – 78% NSF (3.5/4.5), 22% NIH (1/4.5)

3 Month Period of 8/16/xx to 11/15/xx – 100% NSF (3/3)

3 Month Period of 10/1/xx to 12/31/xx – 67% NSF (2/3), 33% NIH (1/3)

Departments must document their allocation methodology.

Tuition allowability varies by sponsor and award agreement, refer to the award terms and conditions for guidance. Where tuition is allowable, Federal and Federal flow-through accounts can generally only be charged the minimum required percentage for Masters Students and PhD Students. Exceptions are made if you have a Fellowship or training grant, which would be charged per award guidelines. Please reference OSPA's website for Allowable Tuition Rates for Proposals - <https://www.ospa.iastate.edu/proposal/preparation/tuition>

Retroactive personnel actions must include the proportionate share of tuition charged. While the payroll for federal and federal flow through awards are subject to the ISU transfer rules, tuition charges would not be when moving the proportionate shares with payroll.

*tuition includes allowable fees

COMPUTER PURCHASES

The purchase of computers and peripherals from federal funds subject to UG is something auditors examine closely and often results in disallowances if not handled properly. Use the following information to assist you in determining whether or not these types of purchases should be placed on federal or federal flow-thru funding.

Does the item cost \$5,000 or more?

If yes, then the purchase would be classified as equipment. Computers are usually considered general purpose equipment per UG. Equipment purchases must be approved in advance by the awarding agency with ample justification given as to why the item is necessary. If the computer is not used exclusively for the research project, it should not be paid for with federal or federal flow-thru funds. If the computer was not listed in the approved proposal budget, then re-budgeting is necessary.

If the computer costs less than \$5,000, then the purchase would be considered a material and supply cost.

Because computers (and related printers and secondary monitors) can be used for many activities including unrelated correspondence, preparing instructional materials, and other non-project related activities, auditors usually classify these expenses as office supplies and consider them to be unallowable charges to federal funds.

If the computer is necessary for the project and will be used 100% of the time on project related activities, then the purchase may be allowable on federal funds. Examples where you might have justification to purchase a computer on federal funds would be if research was being done in a remote off-campus location which required the purchase of a dedicated laptop, or if you were purchasing a computer to act as a front end to a piece of equipment. In these cases where you have adequate justification and the sponsor does not disallow computer purchases in their terms and conditions, the purchase would be allowable as a direct charge. Please be sure to have documentation in the file explaining why the computer was necessary to the project and that it is being used solely on the project. Documentation is key in case of an audit.

Whenever possible, it is best to anticipate these types of purchases at the proposal stage and include computers in your proposal budget with appropriate justification.

HAZARDOUS MATERIALS SURCHARGE

A hazardous materials surcharge went into effect on July 1, 2004. This surcharge was established to help ensure that ISU is able to adequately fund and manage the growing quantity of hazardous waste materials being regulated and disposed of. A 5% surcharge is imposed on purchases which require the most oversight, with a 1.75% surcharge for those requiring less. Transactions paid entirely with sponsored funding (AWD accounts) will be exempted from the surcharge, split funding charges will be adjusted accordingly. Sponsored funding is exempted due to internal fees already being included in our IDC rate negotiations. If an expense is moved from a non-sponsored funding source to a sponsored funding source, the hazardous materials surcharge cannot be moved to the sponsored account. The object code name posts as "Hazardous Materials Surcharge" and has SC10592 object code number.

Items that are subject to the surcharge include art supplies, automotive parts and supplies, some audio/video equipment, batteries, biological supplies, cleaning supplies, chemicals, computer hardware and peripherals, drugs and pharmaceuticals, certain electrical parts, fertilizers, laboratory gases, laboratory equipment, medical supplies, paint, petroleum products, photo equipment, film processing, supplies, radioactive materials, tires, veterinary equipment and supplies, water softening and water conditioning chemicals, and X-ray film processing supplies. A complete list with the surcharge rate can be found in a link at the website referenced below. Additional detail can be found on the Procurement Services website at <http://www.procurement.iastate.edu/home/regulated/surcharge>

Questions addressed include:

- Why is there a surcharge on certain items acquired by the university?
- How will the surcharge be calculated?
- What items are subject to the surcharge?
- Are all types of purchases subject to the surcharge?
- How will surcharges be applied to contract order items?
- How will surcharges be applied to items purchased on individual purchase orders?
- How will I know that a surcharge will be applied to my purchase order?
- Where will I see the surcharge on a voucher?
- How will I recognize the voucher's surcharge in the university's accounting system?
- Will the surcharge appear on the purchasing card reallocation screen?
- How are the surcharges applied to Purchasing Card transactions?
- How will I recognize the purchasing card's surcharge in the university accounting system?
- How will surcharges on computers, peripherals, and related items be applied?
- Will there be an encumbrance for surcharges?
- Are there applicable limits to the surcharge?

APPENDIX A – COSTING POLICY GUIDES

A-21 ISU Costing Policy:

<http://www.controller.iastate.edu/spa/isucostingpolicy.pdf>

This version of the ISU Costing Policy was created to ensure University wide compliance with awards falling under the provisions of OMB Circular A-21.

UG ISU Costing Policy:

<http://www.controller.iastate.edu/spa/UGCostingPolicy.pdf>

This version of the ISU Costing Policy was created to ensure University wide compliance with awards falling under the provisions of Uniform Guidance.

UG PI Costing Guide:

<http://www.controller.iastate.edu/spa/PICostingGuide.pdf>

The PI Costing Guide was created for PIs as a summary of the UG ISU Costing Policy for awards falling under the provisions of Uniform Guidance.

APPENDIX B

GLOSSARY OF TERMS

Academic Dept.	Academic home of PI.
Administering Dept.	The department responsible for administration of the project.
Administering Unit	The college or research unit accepting ultimate fiscal and technical responsibility for a project.
Advanced Account	An account number given in advance of receiving the actual award.
Award Notice/Agreement	Legally binding document that commits financial benefit to ISU.
Contract	Award document whose purpose is to acquire property or services for direct benefit of the sponsor; sponsor involvement may be extensive.
Contract Number	A number assigned by the sponsor to identify a specific project.
Cooperative Agreement	Award document which transfers value to ISU for public purpose; substantial involvement of both ISU and awarding agency.
Cost sharing	Same as matching; additional project or program costs not paid by the sponsor.
Cost-Reimbursable	An award that is payable based on actual costs incurred.
Cumulative Expenditures	Includes all charges from the start of an award through a specific date, regardless of the state fiscal year-end.
Direct Costs	Any costs other than indirect costs; directly identifiable with the project.
Effort Reporting	The employee activity summary of effort forms signed by staff to report effort devoted to federal, federal flow-thru and cost share for federal and federal flow-thru funds.
Effective Date	The date an award starts and usually the first date that costs may be incurred.
Encumbrances	A payable or an obligation; a future expenditure which has been committed but not yet paid.
Expenditures	Refers to charges made to a project or program.
Facilities and Administrative Costs	Also referred to as overhead or indirect, it is the costs of using ISU facilities and administrative support.
Federal Flow-Through	Awards received by ISU which are given by a sponsor who has received funding from a federal agency for the project.
Financial Report	A monthly report that provides cumulative fiscal information for a sponsored program
Fixed-price Award	An award which specifies a set/fixed cost for a specified product, report, or deliverable.
Funding Period	The period of time the funding is available to spend.
Grant	Award document which transfers value to ISU in order to accomplish a public purpose; no substantial involvement from sponsor; usually basic research.
Grant Number/Reference Number	A number assigned by the sponsor to identify a specific project.
Incentive	Refers to the 15% of collected indirect returned to a PI(s).
Indirect Costs	Also referred to as overhead or facilities and administrative costs, it is the cost of using ISU facilities and administrative support.
Matching	Same as cost sharing; additional project or program costs not paid by the sponsor.
MTDC	Modified total direct costs; equals total direct costs less equipment, subcontracts > \$25,000, scholarships (tuition), etc.
Obligations	Same as encumbrances; a payable; refers to a future expenditure which has been committed but not yet paid.
Overhead	Also referred to as indirect or facilities and administrative costs, it is the costs of using ISU facilities and administrative support.
Period of Performance	Refers to the funding period or start and end dates of the project.

PI	Stands for Principal Investigator; faculty/staff person in charge of the sponsored project.
Post-award	Refers to all activities that occur after an award is issued.
Pre-agreement Costs	Costs incurred before the start date of an award.
Preaward	Refers to all activities that occur up until the time an award is issued.
Preaward Spending	Refers to spending of funds prior to the actual start or effective date of an award.
Prime	Refers to the original award from the sponsoring agency.
Prior Approval	Written approval evidencing prior consent from a sponsor or institution.
Project Period	The period stated in the award documents during which sponsorship begins and ends.
Re-budgeting	An approved shift of dollars from one budget line item to another.
Recipient	The organization (ISU) receiving financial assistance directly from the awarding sponsors.
Restrictions	Policies, terms and conditions that apply to a specific award.
Salaries Past Term	Refers to those salaries placed on an award that will be paid after the termination date and will need to be removed before the account is closed.
SPA	Acronym for Sponsored Programs Accounting.
Sponsor	The agency, company, organization, etc. from whom funds are being received.
Sponsored Programs Accounting	The post-award office in the Controller's Department which is responsible for post award financial functions, including financial reporting and invoicing.
Sponsored Programs Administration, Office of	The preaward office at ISU responsible for reviewing proposals and negotiating new awards and subcontracts and negotiating modifications to agreements. Acronym for this office is OSPA.
Subcontracts	Agreements issued to a third party from an ISU award.
Termination Date	The date an award ends or terminates. Usually the last date that costs may be incurred.
Unencumbered	Funds which have not been reserved for a specific expenditure.
Unliquidated Obligations	Obligations or payables which have not yet been paid.
Workday	ISU's financial and human capital management software system.

APPENDIX C - PARTICIPANT SUPPORT COSTS GUIDANCE (UG Prior to 10/1/24)

This guidance document is based on the federal requirements for Participant Support Costs set forth in 2 CFR 200 (Uniform Guidance) and the National Science Foundation (NSF) Proposal and Awards Policies and Procedures Guide (PAPPG). This guidance applies to all ISU federally sourced funding.

Definition/Description:

Participant Support Costs (PSC) are direct costs paid to or on behalf of participants or trainees, who are **not** ISU employees, for their participation in meetings, conferences, symposia, workshops or other training projects.

Participant Support Costs:

- Are included as a separate budget category in the federal project's proposed budget and the number of participants must be identified
- Must be justified in the proposal's budget justification
- If budgeted for costs other than stipends, subsistence allowances, travel allowances and registration fees, these other costs must be separately identified and justified in the proposal's budget justification
- Are not the same as incentive payments given to human research subjects
- Are allowable costs on federally sourced projects with the prior approval of the federal agency or sponsor
- Must be accounted for in a separate ISU grant worktag
- May be subject to additional sponsor terms or regulations
- May not be re-budgeted to other direct cost categories without prior written approval of the federal agency or sponsor
- Are excluded from the calculation of facilities and administrative (F&A) costs
- Are generally associated with programs that provide research training or experience for participants, such as the Research Experience for Undergraduates (REU) and the Research Experiences for Teachers (RET) on NSF projects
- May not be used for non-PSC activities. Unspent PSC budget amounts cannot offset a deficit in the other non-PSC lines of the project, unless prior approval has been received from the sponsor

Allowable PSC expense types:

- Conference or event registration costs and other fees for participants (Exception NSF: Costs related to an NSF-sponsored conference (e.g., venue rental fees, catering costs, supplies, etc.) that will be secured through a service agreement/contract should be budgeted on line G.6., "Other Direct Costs")
- Travel expenses (e.g. transportation, meals, lodging) and related health insurance for participants
- Manuals or training materials for participants
- Stipends for participants
- Housing and subsistence allowances for participants
- Costs for lodging and meals paid directly to the event facility, only if the payment is made on behalf of the participant
- Other participant costs allowed per the proposal guidelines

Unallowable PSC expense types:

- Travel expenses for PI or other ISU employees
- Travel expenses for consultants or speakers
- Event support costs (e.g., facility rental, media equipment rental) for non-participants
- Entertainment for participants and non-participants
- Food and refreshments for non-participants
- Payments to consultants, speakers or lecturers
- Incentive payments to human research subjects
- Expenses related to meetings of an administrative nature
- Expenses related to meetings for conference or event planning
- Non-participant expenses of any type

Proposal (Pre-Award) Budgeting for Participant Support Costs:

The following is a list of PSC budget categories and what types of PSC costs are included in that category. Please refer to the proposal guidelines to determine what types of PSC costs are allowable.

- **PSC Stipends** – Funds requested for participant stipends. A stipend is a set dollar amount to be paid directly to the non-employee for participation.
- **PSC Travel** – Funds requested for travel costs for participants (i.e. transportation, registration fees, meals and lodging) while in ISU travel status. This would include travel to and from ISU for REU site participants and trip expenses for participants.
- **PSC Subsistence** – Funds requested for subsistence allowances. Subsistence is an allowance granted for housing and meal costs for participants.
- **PSC Other** – Funds requested for PSC cost types not detailed above. All PSC Other costs must be separately identified and justified in the proposal's budget justification. This category is often closely scrutinized by sponsors; but could include participant tuition, health insurance, materials and supplies to be used by participants, and other costs to be incurred on behalf of participants.

Post-Award Financial Process Overview/Accounting for Participant Support Costs:

- Sponsored Programs Accounting will establish a separate secondary grant line for federally sourced awards with amounts budgeted for Participant Support Costs.
- The PSC secondary grant worktag will be designated with either "PSC", "REU", "COE" or "RET" in the name. Example: 0000000000/PSC-ECPE-SMITH
- No facilities and administrative costs (a.k.a. F&A costs, IDC, indirect costs) are charged to PSC grant lines for awards subject to the Uniform Guidance.

PI/Department Responsibilities:

- Know when the proposal guidelines allow for the inclusion of Participant Support Costs
- Where allowed and appropriate, include Participant Support Costs in your proposal's budget and budget justification
- Review SPA financial reports, transactions and source documents to ensure that funds spent out of PSC grant lines are for allowable PSC expenses
- Submit a Re-budget Request form to OSPA for ISU to request sponsor approval for re-budgeting funds out of Participant Support Costs to other budget categories, if needed
- Submit a Rebudget Request form to OSPA for ISU to request sponsor approval for re-budgeting funds to increase the PSC-other budget category for costs of participant activities not previously identified
- Review SPA financial reports, transactions and source documents to ensure that funds spent out of PSC grant lines are for allowable PSC expenses
- Document participant and non-participant attendance at meetings and other events by maintaining attendee lists that support the proper allocation of costs

Other Information:

- Costs that cannot be specifically identified to a participant are not allowed as a PSC expense.
- A participant does not perform work or services for the project other than for their own benefit. The participant is not required to provide deliverables or any service to the university in return for these Participant Support Costs.
- ISU employees and local attendees may participate in conference or event meals and coffee breaks but Participant Support Costs funding may not be used to pay for expenses of non-participants.

If you have questions regarding the budgeting of Participant Support Costs, please contact your OSPA Pre-Award Administrator. If you have any questions regarding allowability of costs, please contact your SPA Accountant. For questions regarding the process of charging costs, please contact your assigned SPA Accountant or your Grant Finance Specialist.

Resources:

Uniform Guidance 2 CFR 200 (200.75, 200.456, 200.68, 200.308):

<http://www.ecfr.gov/cgi-bin/text-idx?SID=89bdfbe59153c0e578b6db74363e2d33&mc=true&node=pt2.1.200&rgn=div5>

NSF Proposal and Awards Policies and Procedures Guide (PAPPG):

<http://www.nsf.gov/bfa/dias/policy/>

Participant Stipend Payment Instructions (GFS):

<http://www.controller.iastate.edu/controller/StipendPmts.pdf>

SPA and OSPA Revision Date: 8/31/15, 02/07/20 EJ