



UNIVERSITY OF ILLINOIS  
AT URBANA-CHAMPAIGN



2009 BUSINESS LEADERSHIP CONFERENCE

Life of an Award: Post-Award  
Practices and Pitfalls (Part 2 of 2)

Tuesday, March 17

# Please ...

- Turn off cell phones
- Avoid side conversations
- Q&A will follow presentation
- Sign the attendance roster
- Complete the evaluation at the end of the workshop

# Workshop Presenters

- Kay Williams, Director
- Sandy Moulton, Associate Director
- Lori Garwick, Senior Coordinator
- Linda Gregory, Senior Coordinator

OBFS Grants and Contracts, Post-Award

(217) 333-2186

1905 S. First Street, Suite A, MC-685

[gcopostuiuc@uillinois.edu](mailto:gcopostuiuc@uillinois.edu)

<http://www.obfs.uillinois.edu>

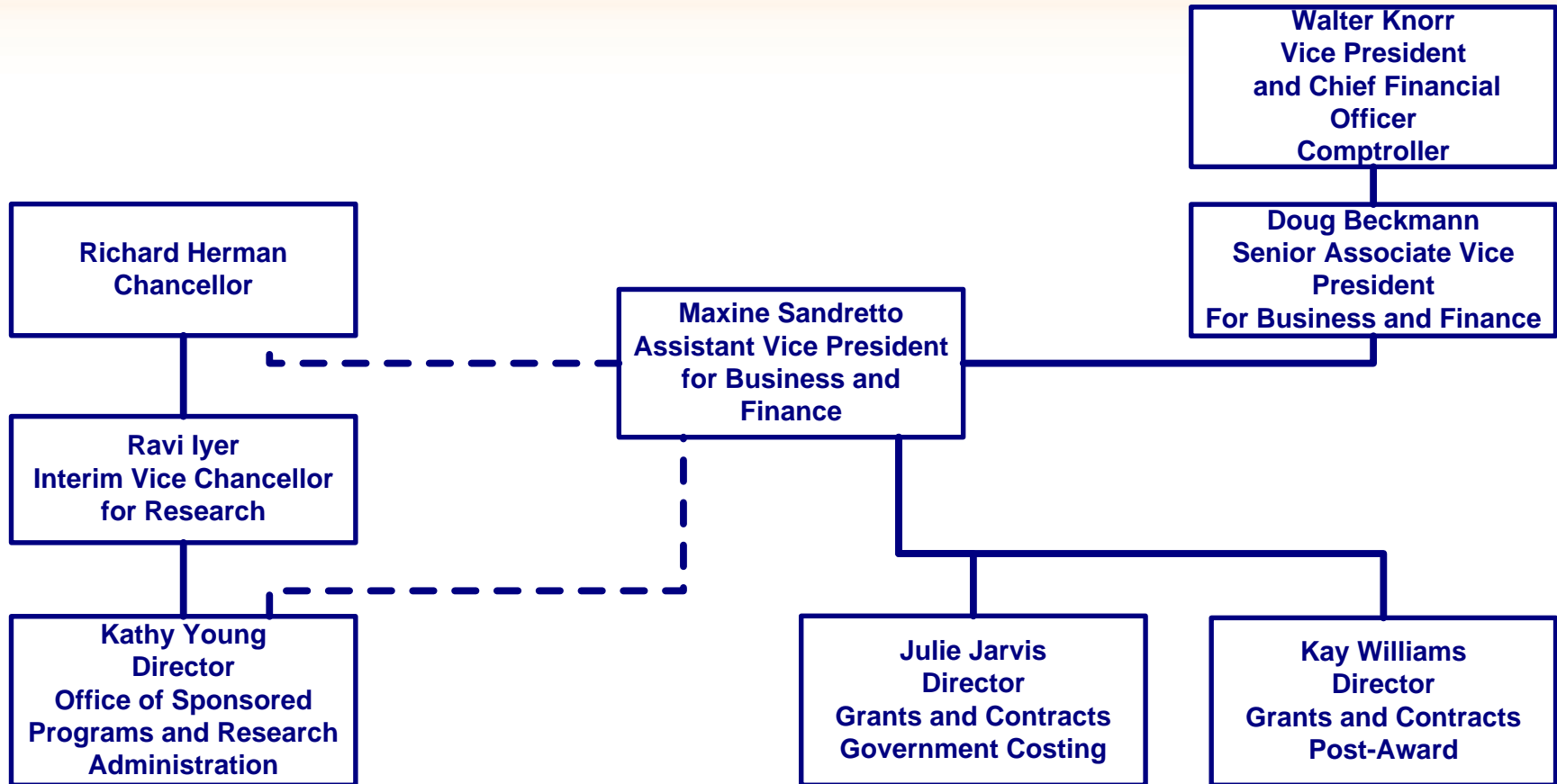
# Workshop Objectives

- Discuss important components and milestones of award administration
- Discuss roles and responsibilities of the sponsor, OSPRA, GCO Post-Award, the Principal Investigator, and the departmental business staff
- Discuss collaborative nature of award administration

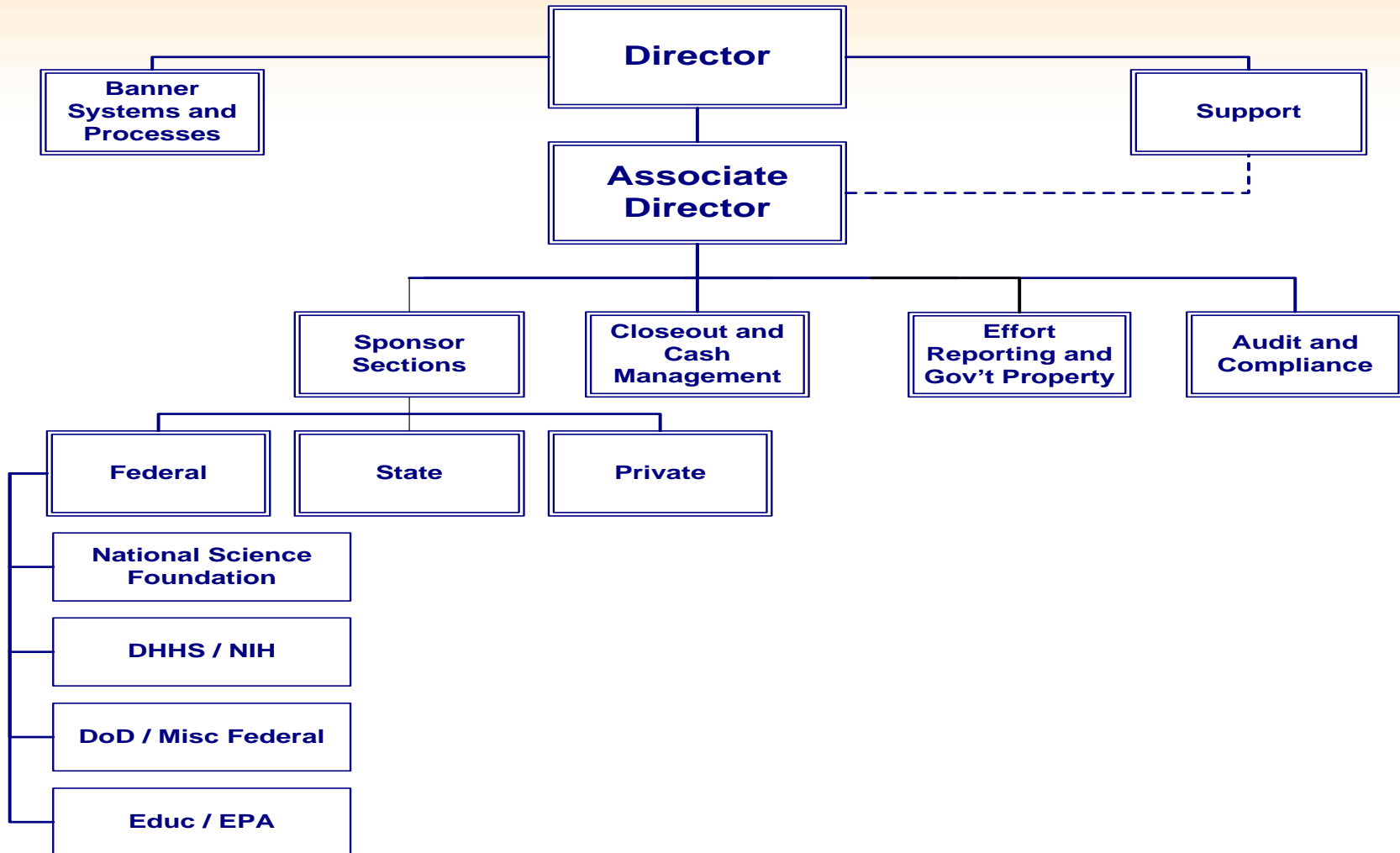
# MISSION

The Grants and Contracts Office performs central post-award administrative functions for sponsored projects. It supports University faculty and their departments in the administration and expenditure of sponsored project awards by developing and disseminating policies and procedures, managing the financial interactions with sponsors, assuring compliance with university and sponsor policies, while minimizing the administrative burden on faculty, and protecting the interests of the faculty and the University.

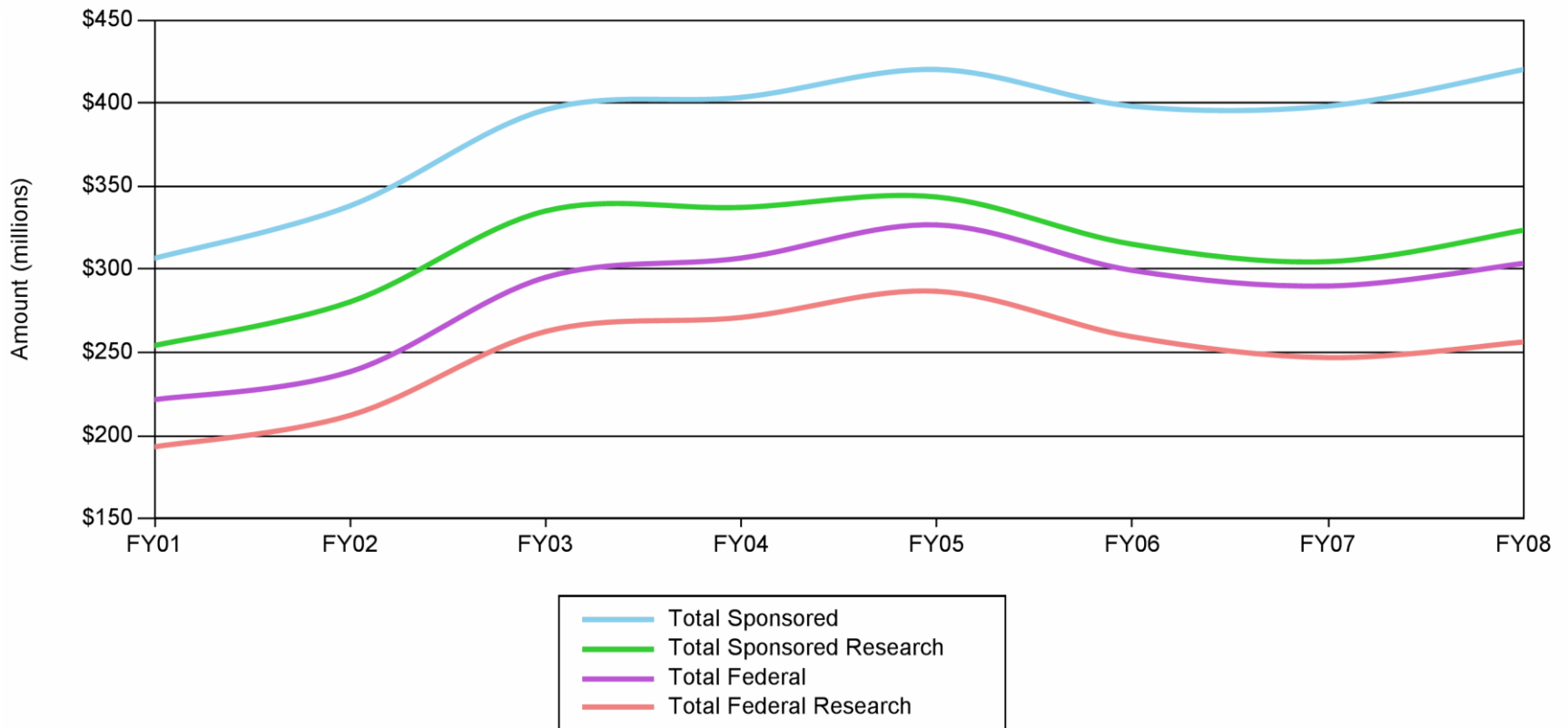
**University of Illinois at Urbana-Champaign  
Sponsored Project Organization**



# GRANTS AND CONTRACTS POST-AWARD ORGANIZATION



# Eight Year Trends in Sponsored Expenditures Funding





## **FY08 Sponsored Project Expenditures by Function Urbana Campus**

<b><i>Program</i></b>	<b><i>Total</i></b>
<b><i>Research</i></b>	<b><i>323,587,492</i></b>
<b><i>Public Service</i></b>	<b><i>55,722,247</i></b>
<b><i>Scholarships/Fellowships</i></b>	<b><i>28,624,134</i></b>
<b><i>Instruction</i></b>	<b><i>4,890,269</i></b>
<b><i>Academic Support</i></b>	<b><i>4,109,531</i></b>
<b><i>Student Services</i></b>	<b><i>2,053,026</i></b>
<b><i>Institutional Support</i></b>	<b><i>1,175,972</i></b>
<b><i>Others</i></b>	<b><i>288,981</i></b>
<b><i>Total</i></b>	<b><i>420,451,651</i></b>

# FY08 Expenses by Funding Source Urbana Campus

<b>Major Sponsor</b>	<b>Year To Date Expenditures</b>	<b>Year To Date F &amp; A</b>	<b>Year To Date Tuition F &amp; A</b>
<b>Federal (US)</b>	<b>303,467,118</b>	<b>65,735,559</b>	<b>9,659,306</b>
<b>State (IL)</b>	<b>56,711,879</b>	<b>4,963,045</b>	<b>9,412</b>
<b>Private</b>	<b>37,713,593</b>	<b>5,060,230</b>	<b>953,888</b>
<b>Other Gov't</b>	<b>14,975,533</b>	<b>2,599,803</b>	<b>192,267</b>
<b>Foreign</b>	<b>7,330,263</b>	<b>842,264</b>	<b>171,438</b>
<b>Other</b>	<b>253,266</b>	<b>35,298</b>	<b>3,608</b>
<b>Total</b>	<b>420,451,651</b>	<b>79,236,199</b>	<b>10,989,919</b>

# FY 2008 Sponsored Expenditures

## Top 9 Federal Sponsored Expenditures by Agency

<b>Agency Name</b>	<b>Sponsored</b>	<b>Research</b>	<b>%</b>
<b>US National Science Foundation (NSF)</b>	<b>\$95,421,045</b>	<b>\$91,322,136</b>	<b>31%</b>
<b>US Health &amp; Human Services (NIH)</b>	<b>\$67,860,208</b>	<b>\$63,797,209</b>	<b>22%</b>
<b>US Department of Defense (DoD)</b>	<b>\$42,497,102</b>	<b>\$39,083,994</b>	<b>14%</b>
<b>US Department of Education</b>	<b>\$29,839,919</b>	<b>\$2,649,873</b>	<b>10%</b>
<b>US Department of Energy (DOE)</b>	<b>\$23,786,005</b>	<b>\$23,386,277</b>	<b>8%</b>
<b>US Department of Agriculture (USDA)</b>	<b>\$18,235,104</b>	<b>\$17,386,770</b>	<b>6%</b>
<b>US NASA</b>	<b>\$3,644,401</b>	<b>\$3,467,251</b>	<b>1%</b>
<b>US Department of Interior</b>	<b>\$3,279,416</b>	<b>\$2,865,382</b>	<b>1%</b>
<b>US Department of Commerce</b>	<b>\$3,142,137</b>	<b>\$1,336,227</b>	<b>1%</b>
<b>Other (20)</b>	<b>\$15,761,780</b>	<b>\$10,818,452</b>	<b>5%</b>
<b>Grand Total</b>	<b>\$303,467,117</b>	<b>\$256,113,570</b>	<b>100%</b>

# FY08 Sponsored Expenditures by Major Unit

<b>College Name</b>	<b>Sponsored</b>	<b>%</b>
<b>Engineering</b>	<b>\$125,005,579</b>	<b>30%</b>
<b>Liberal Arts &amp; Sciences</b>	<b>\$78,356,430</b>	<b>19%</b>
<b>Agr Consumer &amp; Env Sciences</b>	<b>\$42,082,879</b>	<b>10%</b>
<b>Supercomputing Applications</b>	<b>\$32,206,058</b>	<b>8%</b>
<b>State Surveys</b>	<b>\$28,316,452</b>	<b>7%</b>
<b>Provost &amp; VC Acad Affairs</b>	<b>\$23,230,127</b>	<b>6%</b>
<b>Beckman Institute</b>	<b>\$18,638,661</b>	<b>4%</b>
<b>Institute for Genomic Biology</b>	<b>\$17,175,290</b>	<b>4%</b>
<b>Veterinary Medicine</b>	<b>\$8,804,365</b>	<b>2%</b>
<b>Education</b>	<b>\$8,586,281</b>	<b>2%</b>
<b>Other (28)</b>	<b>\$38,049,530</b>	<b>9%</b>
<b>Grand Total</b>	<b>\$420,451,651</b>	<b>100%</b>

# What is a Sponsored Project?

- Supported by entities outside the University
- Have a defined scope or objective
- Include reporting requirements
- Result from proposals submitted by the University
- Funded by an external organization, such as a federal, state, local, or foreign unit of government, a foundation, an association, or a commercial entity.

# What is a Sponsored Project? (cont'd)

- Sponsored projects such as grants, contracts, and cooperative agreements are solicited and/or accepted for purposes which are consistent with and enhance the teaching, research, and public service mission of the University
- Sponsored activities are undertaken by the University with support from outside sponsors that expect an outcome that either directly benefits the sponsor or serves a public purpose the sponsor wishes to promote
- At a minimum, the sponsor requires the University to report on how the funds are spent and what progress has been made in accomplishing the goals of the activity
- All proposals for support under the category of sponsored activities must be submitted to the sponsor through OSPRA (pre-award)

# Award Types

- **Grants** are used when the principal purpose of the award is to accomplish a specified public purpose of support or stimulation
- **Cooperative agreements** have the same principal purpose as a grant but are chosen as the instrument of award when conduct of the work involves substantial participation by the federal sponsor
- **Contracts** are used when the principal purpose is procurement, i.e., acquisition of property or services for the direct benefit of the sponsor



# Award Setup

- New
- Continuation
- Renewal
- Anticipation



# Award Setup (cont'd)

- Banner Grant Code
  - Basic award data
  - Billing setup
- Banner Fund Code(s)
  - Linked to grant code
  - F & A codes
- Budget
- Cost Share

# Volume Statistics

- Total awards currently being administered: 4,300
- FY 2008 new awards created: 1,458
- FY 2008 new funds created: 1,973
- Average number of awards termed annually: 1,200

# A-21 Federal Cost Principles

- Allowable costs
- Unallowable and restricted cost categories
- Effort reporting
- DS-2 – Disclosure Statement of UIUC costing practices

[http://www.whitehouse.gov/omb/circulars/a021/a21\\_2004.html](http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html)

# Project Costs

- **Direct costs** - costs that can be identified specifically with a particular sponsored project
- **Facilities and administrative costs** (also called "indirect costs") - costs that are incurred for common or joint objectives and cannot be identified specifically with a particular sponsored project
- **Cost sharing** - portion of project costs not borne by the sponsor that are incurred during the period of performance

## Project Costs (cont'd)

- **Reasonable** if the nature of the goods or services and the amount involved therefore, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made
- **Allocable** to a particular sponsored project if the goods or services involved are chargeable or assignable to the project in accordance with the benefits received
- **Allowable** when it is permitted by sponsoring agency guidelines, terms of a given sponsored agreement, and University policy. Unallowable or restricted costs are those defined as such by University policy

# Pre/Post-Audit

- **Pre-audit**
  - Journal vouchers
  - Subrecipient payments
  - Consultants
  - Equipment
- **Post-audit**
  - Labor redistributions
  - A-21 unallowables
  - A-21 cost sensitive categories

# Subrecipient Activity

- Setup Banner encumbrance
- Review and transmit the subrecipient's billing to department
- Department coordinates Principal Investigator review and approval of billing
- Department creates Invoice Voucher to reimburse subrecipient
- GCO, Department and Principal Investigator review subawards for high risk issues
- Facilitate close-out of subaward at project end or termination
- Obtain annual A-133 certification from subrecipient and review for any audit risk to UIUC

# Effort Reporting

- A-21 requirement
- Semi-annual confirmation
  - Effort related to salaries charged
  - Cost share effort commitments
  - Other direct costs
- Reconfirm for any cost transfers processed after report submission
- Currently paper, but in process of piloting a web based confirmation system



# A-110 Federal Grant Management

- Incorporates A-21 Federal Cost Principles
- Financial reporting and invoicing
- Cost share
- Procurement standards
- Property standards
- Expanded authority
- Program performance
- Federal Demonstration Partnership (FDP)
  - Streamlines grant management

<http://www.whitehouse.gov/omb/circulars/a110/a110.html>

# Billing/Reporting

- **Billings**
  - Cost Reimbursement
    - Individual project
    - Federal letter of credit (by agency)
  - Advances
  - Fixed Price
- **Financial Reports**
  - Quarterly
  - Annual
  - Federal letter of credit

# Accounts Receivable

- **Cash Collections**
  - ACH/Fedwire
  - Lockbox (bank account)
  - Checks
- **Identification and application of payments to Banner funds**
- **Aged receivables**
  - Reporting
  - Follow-up

# Cost Sharing

- **Types**
  - PI and other academic contributed effort
  - Hard match (travel, equipment, etc)
  - Unrecovered F&A
  - Third party
- **Tracking**
  - Cost share commitment file (web application)
  - Activity reporting system
- **Reporting**
  - Billing and financial status report
  - DMI activity report
  - Semi-annual confirmations
  - F&A study

# Principal Investigator Transfers

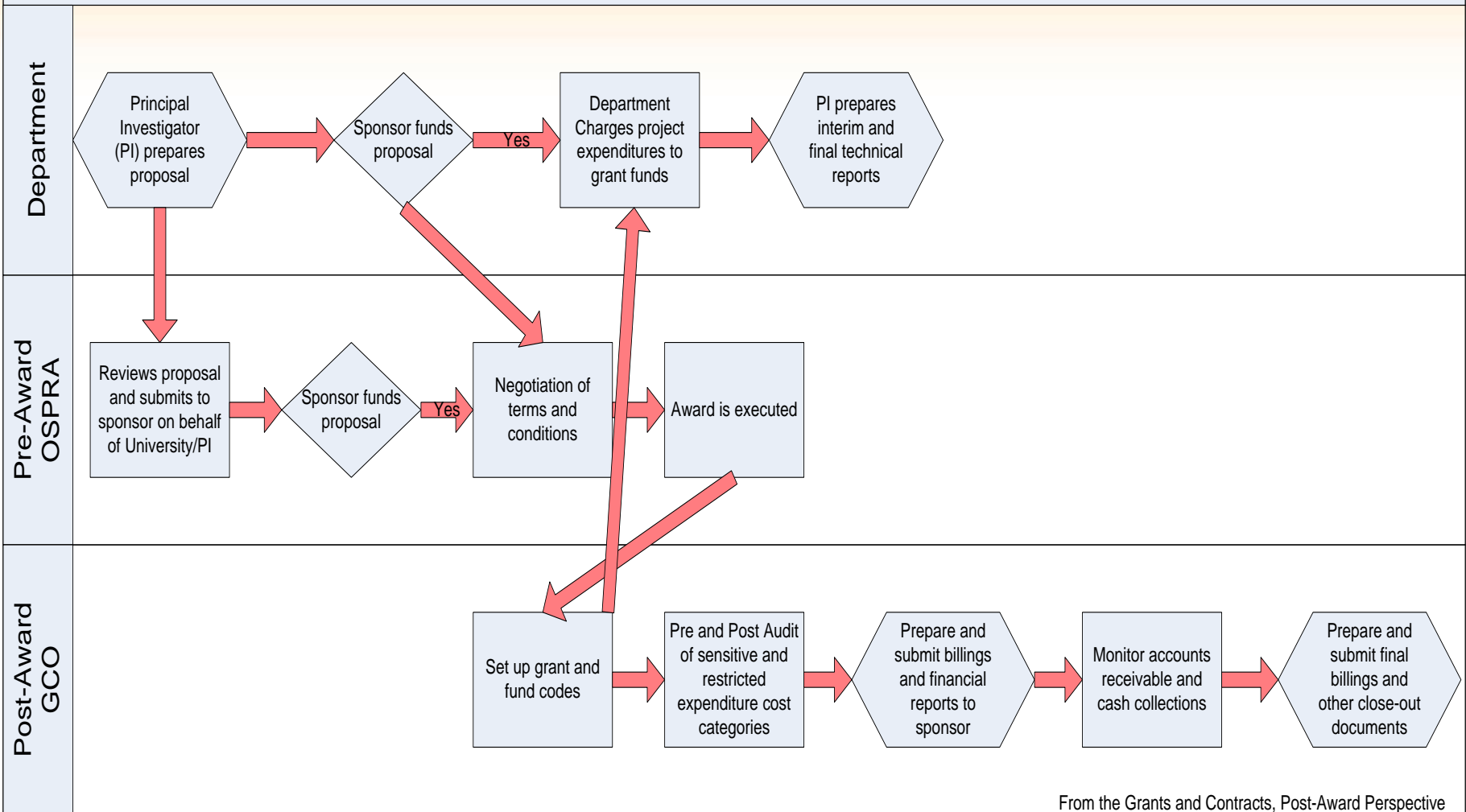
- Identify all active awards and obtain sponsor approval
- Options
  - Name new UIUC Principal Investigator
  - Terminate award
  - Transfer award to new institution
  - Subcontract scope of work to new institution
- Facilitate transfer of equipment
- Submit required technical reports / deliverables

# Closeout

- Charges all posted and within period of performance
- Overdrafts removed
- Subawards closed
- Cost sharing documented
- Final billing and financial report
- Principal Investigator - final technical report
- Equipment and patent reports
- All cash collected
- Retain records – normally 3 full fiscal years after project is closed

## PRE-AWARD AND POST-AWARD PROCESSES

February 5, 2007



From the Grants and Contracts, Post-Award Perspective

# A-133 Federal Audit Regulations

- Annual (contracted out by State Auditor General)
- Required if annual expenditures exceed 500,000
- Major and high risk programs
- Programs are defined by CFDA numbers
- Schedule of expenditures of Federal awards
- All federal funds
  - Sponsored agreements
  - Ag appropriations (Hatch and Smith Lever)
  - Pass-through (State and other entities)
  - Student financial aid (grants and loans)

<http://www.whitehouse.gov/omb/circulars/a133/a133.html>



# Audit and Compliance

- GCO is the official audit liaison between sponsor and departmental unit. Sponsors planning desk reviews, monitoring visits or audits should be referred to GCO for coordination of these activities
- Facilitate A-133 federal audit and responsible for preparing the schedules of expenditures
- Other External Audits

# Compliance Framework

- Award Terms & Conditions
- Sponsor Policies & Guidelines
- OMB Circulars
  - A-21 Federal Cost Principles
  - A-110 Federal Grant Management
  - A-133 Federal Audit Regulations
- University Policies & Procedures, Section 16
- State of Illinois Statutes
- University General Rules

# Banner Systems and Processes

- Maintain basic operating system processes
  - Billings
  - F&A assessment
  - Obligation of indirect costs (F&A)
- Troubleshoot system problems
- Fiscal year end processes
- Testing of enhancements and upgrades
- SunGard focus groups
  - Multi-year salary encumbrances
  - Labor redistributions

# Decision Support – Data Marts/EDW

- **DM – Finance Grants Lifecycle** – The purpose of this universe is to allow users to look at the ‘lifecycle’ of research from end to end. Combines UIeRA (pre-award) information with Banner Grants (post-award) information at the level of one row per proposal/grant. This is summarized data only.
- **DM – Finance Grants Summary** – The purpose of this universe is to allow users to look at Grant data summarized by fund thus providing a manageable overview of the data. The universe contains one row per Grant per Fund. This is summarized data only.
- **EDW – Finance Grants ITD** – The purpose of this Universe is to list grants and grant transaction dollars: Budget, Revenue, Expense, Encumbrance, Reservation

<http://www.ds.uillinois.edu/web/Home/Metadata/UnivInfo.aspx>

# What's Ahead

- Web-Based Semi-Annual Expenditure Confirmations
  - Pilot (Dec 2008)
  - Production (Jun 2009)
- Grants Accounts Receivable Report (Summer 2009)
- Multi-year Encumbering (Jan 2010)
- Web-based Anticipation Account Request (TBD)

# Workshop Summary

- The life cycle of a sponsored project is a cradle to grave process. Effective communication and collaboration between Principal Investigators, Departmental Administrators, OSPRA, and GCO Post-Award provides a smooth transition from proposal submission through project closeout.

Questions?

# Helpful Links

## Federal OMB Circulars

- A-21

[http://www.whitehouse.gov/omb/circulars/a021/a21\\_2004.html](http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html)

- A-110

<http://www.whitehouse.gov/omb/circulars/a110/a110.html>

- A-133

<http://www.whitehouse.gov/omb/circulars/a133/a133.html>

## Federal Demonstration Partnership (FDP)

<http://www.thefdp.org/>



# Helpful Links cont'd.

- OBFS website

<http://www.obfs.uillinois.edu/>

- GCO Post-Award website

<http://www.obfs.uillinois.edu/obfshome.cfm?level=1&path=grantsp&xmldata=grantsp1>

- GCO Post-Award “Who to Ask”

<http://www.obfs.uillinois.edu/grantsp/whotoask.shtml#uiuc>

## **OBFS Policies and Procedures**

**<http://www.obfs.uillinois.edu/manual/index.html>**

- Section 16.1.1 - Requirements of Cost Principles for Educational Institutions (OMB Circular A-21)
- Section 16.1.2 - Cost Transfers
- Section 16.1.3 - Compensation for Personal Services Charged to Sponsored Projects
- Section 16.1.4 - Equipment, Equipment Leases, and Expendable Supplies
- Section 16.1.5 - Sponsored Projects Administration