

# GRANT COORDINATOR MEETING 5/15/08

## SPONSORED PROGRAMS ACCOUNTING (SPA)

### RMM IDC DISTRIBUTION

The RMM is fully loaded and ready to take effect for FY2009. Here are some reminders on how the RMM Budget Model will affect IDC Distribution:

15% - Incentive distribution to PIs if IDC rate is full allowable (per most recent goldsheet information processed for the admin account)

20% - Overhead Use of Facilities Fund (fixed field)

10% - Vice President of Research and Economic Development (fixed field)

10% - Resource Responsibility Center Administrative Unit (Admin RRC - one RRC per admin account - from goldsheet)

45% - PI/Co-PIs Budget Home Distribution (from goldsheet)

Notes: An admin account and all of its subaccounts will have one IDC distribution profile based on goldsheet information for the most recent award.

Incentive will be distributed to PIs performing work in Ames Lab space.

IDC expense postings will be made at month end.

Incentive and other RMM IDC distributions will be made each month, approximately ten days after month end close.

- Account Totals
- Summary
- Project Summary
- Class
- Encumbrance
- Multi-Year
- Account Detail
- Transaction Detail
- Dept Commitments
- P.O. Encumbrances
- Payroll Encumbrances
- Travel Encumbrances
- User Notes
- Sponsored Programs
- Financial Report
- Account Totals
- Award Bdgt Browse
- Award Budgets
- Award Listing
- Award Summary
- Class Tot by Bdgt Cd
- Indirect Cost Detail
- RMM IDC Distrib
- Terms & Conditions
- Browse
- General
- Sponsored Programs
- Business
- Deposits Online
- Empl Reimbursement
- Equip Inv - SPA
- Image - AC
- P-Card Auditor
- Sponsor Prgrms-dsply

Fund	Main	Acct	Sect	Proj	Start Browse
400	19	01			
<< 400-19-01 >>					
Account Title: Q 2004088/NASD-PRES-HIRA					
Fully Allowable: <input checked="" type="radio"/> Yes <input type="radio"/> No					
Incentive - 15%					
PI Univ Id	PI Name	Incntv Acct	Sect Proj	Acct Title	Rate
651150447	HIRA TAHIRA K	490 19 01		% PRES-TAHIRA HIRA	15.00
RRC Admin Unit - 10%					
PROVOST (060)					
RRC PI/Co-PI Budget Home - 45%					
AG & LS COLLEGE (001)		PRESIDENT (050)			45.00
AG EXP STN (040)		PROVOST (060)			
BUS COLLEGE (008)		UNIV & COOP EXT (030)			
DESIGN COLLEGE (007)		VET MED COLLEGE (005)			
ENGR COLLEGE (002)		VP BUS & FIN - RRC (070)			
H SCI COLLEGE (010)		VP RSRCH & EC DV (020)			
LAS COLLEGE (004)		VP STDNT AFFR - RRC (080)			
Overhead Use of Facilities (OUF) - 20%					
VPR for Centers (VPRED) - 10%					

Sub Accounts of 400-19-01

- No Sub Accounts Found -

Comments:

CREATED 11/28/07 - Dierickx.

Last Changed By: Richard Hoversten    Last Changed Date: 03/19/2008 03:27 PM

## PROPOSAL & AWARD POLICIES & PROCEDURES GUIDE - ALLOWABILITY OF MEALS AND COFFEE BREAKS AT MEETINGS

The NSF Proposal and Award Policies and Procedures Guide (formerly the Grant Proposal Guide and the Grant Policy Manual) provides information on various NSF policies and procedures. <http://www.nsf.gov/awards/managing/>

We have learned that the NSF OIG has had audit findings related to meals at meetings and conferences resulting in disallowed costs. It is important to remember that departments must follow both ISU policies and the sponsor's policies. The most restrictive of the two policies must be followed.

Section V, part 5 of the Award and Administration Guide is listed below. The specific policies regarding meals or coffee breaks are in bold.

### 5. Meetings and Conferences

The points below summarize the allowability of various items of cost associated with conferences, symposia, workshops or other meetings supported by an NSF grant. Any costs charged to an NSF grant also need to be reasonable and directly allocable to the supported activity. **Meeting and conference costs identified below, are only allowable if such costs are specifically and clearly identified in the proposed scope of work and budget, as modified and approved by NSF. NSF funds are not otherwise to be spent for meals or coffee breaks for intramural meetings of an organization or any of its components, including, but not limited to, laboratories, departments and centers.**

- a. Conference Facilities. Rental of facilities and necessary equipment is allowable. (See [AAG Chapter V.C.3.](#))
- b. Supplies. Purchase of expendable materials and supplies necessary for the meeting is allowable.
- c. Conference Services. Costs of translation services and of recording and transcribing the proceedings are allowable.
- d. Publication Costs. Costs of publishing the proceedings are allowable if approved in the grant.
- e. Salaries. Salaries of professional personnel, editorial and clerical assistants and other staff members are allowable in accordance with [AAG Chapter V.B.1.](#), in proportion to the time or effort devoted to the preparation and conduct of the conference and summarizing its results.
- f. Consultant Services and Speaker Fees. Reasonable fees and travel allowances and per diem (or meals provided in lieu of per diem) are allowable as prescribed in [AAG Chapter V.B.4](#) and [AAG Chapter V.B.6.](#)
- g. Meals and Coffee Breaks. When certain meals are an integral and necessary part of a conference (e.g., working meals where business is transacted), grant funds may be used for such meals. Grant funds may also be used for furnishing a reasonable amount of hot beverages or soft drinks to conference participants and attendees during periodic coffee breaks.**

h. Participant Support Costs. Participant support costs are allowable as prescribed in AAG Chapter V.B.8. (See also AAG Chapter V.D.1b.)

**i. Entertainment. Costs of entertainment, amusement, diversion and social activities and any costs directly associated with such costs (such as tickets to shows or sporting events, meals, lodging, rentals, transportation and gratuities) are unallowable.** Travel, meal, and hotel expenses of awardee employees who are not on travel status are unallowable. Costs of employees on travel status are limited to those allowed under the governing cost principles for travel expenses. (See AAG Chapter V.B.4)

j. Alcoholic Beverages. No Federal funds may be spent on alcoholic beverages.

In summary, meal and coffee break expenses are **unallowable** for intramural (only ISU participants) meetings. Meal and coffee break expenses are **unallowable** for social events (e.g. social banquets). Meal and coffee break expenses are allowable for conference and workshop events where business is transacted **and** these costs have been specifically and clearly identified in the scope of work and budget.

## TRANSFER OF COSTS

FROM:	TO:
Account not overspent	Any appropriate account with funding
Overspent account (Review unspent balance Or cash balance)	Any appropriate non-federal account with funding

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 on to federal accounts must be made within 90 days of the transaction date OR within 90 days of the federal account being established.

Utilizing these concepts:

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 advance account number should be processed. An

advance account number should be utilized whenever the new award is not continuation funding or it is unknown whether the federal funding will be continuation funding.

See <http://www.ospa.iastate.edu/Forms/> for the advance account number request template.

In summary:

- 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 not be transferred to a federal 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, fixed price funds, departmental 70X funds).

## **ADVANCES**

Below is a list of things to keep in mind when considering the advancing of funds on accounts:

- Advances for employee travel are handled through the Accounting Office (Bill Cahill).
- We do not advance funds to outside individuals or entities without subagreements. Advance language is often written into the subagreement by OSPA.
- As a general rule, we do not advance funds to domestic entities (only foreign entities).
- On projects with foreign activities, funds may sometimes be advanced to an ISU Coordinator (non-employee) working on the award where a PSA agreement from Purchasing has been established with the individual.
- For non-travel related project costs, an ISU employee may be able to receive an advance from an award if work is being done in a foreign location where p-cards cannot be utilized.

## **FISCAL COMPLIANCE UPDATE**

Sponsored Programs Accounting, in the hopes of educating the ISU sponsored programs community, has developed a Fiscal Compliance Monitoring initiative for federally funded awards. The plans for this initiative include identifying high risk areas for transaction testing, performing random sampling and review of costs in those high risk areas, and documentation and communication of the related findings. Examples of identified high risk areas for testing might include: purchase of general office supplies on federally funded awards, clerical & administrative salaries on federally funded awards,

and the purchase of general purpose computers on federally funded awards. During transaction testing, department/center/unit representatives may be periodically contacted for expense documentation and justification.

Findings will be documented in writing and communicated with the necessary parties following completion of transaction testing. Those departments, centers and units with potential findings will be given an opportunity to respond, with SPA's focus on educating departments about the best way to handle like transactions in the future. Information on findings will be presented at the quarterly Grant Coordinator Meetings. Periodic follow up and review of those departments, centers and/or units with findings will occur to ensure that unallowable transactions identified during the transaction testing phase have been corrected and that like transactions are now being handled appropriately.

The current Fiscal Compliance Monitoring review is Graduate Student Scholarship (Tuition) and Student Aid Costs. This review is testing tuition and student fee transactions posted to federal accounts during the Fall 2007 semester to determine if the charges are allowable per federal regulations, per the award's terms and conditions, and per university policies or guidelines.

The results of the review to date found several instances of tuition being charged to accounts where, according to the award terms and conditions, it is not an allowable cost.

As a reminder, though the majority of Federal agencies allow you to charge tuition to an award, there are some agencies which do not. One should refer to the award documentation's terms and conditions and/or agency regulations for clarification. USDA is the most common agency where tuition may be allowable on one award and not allowable on another. A general rule of thumb for USDA awards is that if indirect costs are allowed on the award, tuition is also allowable. Conversely, if indirect costs are not allowed, tuition is normally an unallowable charge (see the USDA award's terms and conditions for final clarification).

The results of the review to date also found that graduate student fees were charged to federal and federal flow-through awards. Since ISU has no policy on student fees, these fees are unallowable and should not be charged to federal awards.

Included with the handouts for this meeting is a copy of an e-mail that went out on March 8, 2008 from the Controller that clarifies the existing ISU rules on Scholarships and Fees on Sponsored Funding.

Please contact your Sponsored Programs Accountant if you have questions about tuition allowabilty on a specific award.

**Nichols, Troy D [CONTR]**

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**From:** Fox, Stephanie [CONTR]  
**Sent:** Saturday, March 08, 2008 12:56 PM  
**To:** Deans/Assoc/Asst [PRVAA]; Department Chairs [PRVAA]; Controllers Info Network [CONTR]  
**Subject:** Allowability of graduate scholarships and fees on grants  
  
**Attachments:** 20080308122353759.pdf



2008030812235375  
9.pdf (69 KB)

TO: Deans, Department Chairs and Controller's Information Network  
FROM: Stephanie Fox, Controller

The attached document provides a recap of the Federal regulations relating to the allowability of charging graduate scholarships and fees to sponsored funding. Several colleges had requested clarification of university policy to assist in development of their own policies for administration of graduate scholarship dollars.

Please contact us if you have questions regarding the allowability of scholarships on sponsored funding.

\*\*\*\*\*  
Stephanie Fox, CPA  
Controller  
Iowa State University  
ssfox@iastate.edu  
515-294-2556  
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## SCHOLARSHIPS AND FEES ON SPONSORED FUNDING

Under the Resource Management Model, colleges will be administering graduate scholarships. While there will likely be an increased emphasis on paying the graduate scholarships from grant funding, Federal costing policies must still be followed. The paragraphs below provide a recap of Federal OMB Circular A-21 regulations regarding the allowability of charging graduate scholarships and fees to Federal awards.

The general rule is that Federal grants can be charged no more than the ISU minimum required to be provided to a graduate student for scholarship or fees in accordance with established institutional policy. Some Federal sources such as USDA Hatch Act funding do not allow scholarships of any amount to be charged. Therefore:

- Federal awards can be charged for 100% of the tuition scholarship for a PhD student as long as the award does not prohibit the charging of tuition.
- Federal awards can be charged for 50% of the tuition scholarship for a Master's student as long as the award does not prohibit the charging of tuition.
- In order to be an allowable charge to a Federal award, the percentage of scholarship paid from the grant should be less than or equal to the percentage of C-base salary paid from that grant during a qualifying consecutive appointment period (at least three months for the fall and spring semesters, and at least six weeks for the summer semester).
- Federal awards cannot be charged for student fees since there is no institutional policy requiring that student fees be paid by an ISU department.
- Certain fellowship and training grants are an exception to the above policy. Consult the award documents to determine allowable scholarship and fee payments.

If for strategic reasons, a department wants to provide a scholarship in excess of the ISU minimums or wants to cover student fees, Federal awards cannot be charged for the additional scholarship or fees but other funding sources could be used such as:

- Non-federal grants, as long as the award does not prohibit the charging of tuition and fees
- Foundation funds, if permitted by the donor
- General university funds
- Service center funds if the graduate assistant is working on the account and his/her salary and scholarship are considered when pricing the service

Colleges may have additional requirements relating to the proper costing of graduate scholarships as this memo only addresses ISU institutional policy.

Questions regarding the allowability of scholarships and fees on sponsored awards should be directed to Becky Musselman at 4-5279 or Kathy Dobbs at 4-6653.

3/8/2008

