

SPONSORED PROJECT MANAGEMENT AT VSU COMMON FINANCIAL TRANSACTIONS

Rules of Thumb for Sponsored Program Management:

*With the exception of PCard transactions, proposed sponsored project transactions will require some type of **pre-approval** with at least two signatures. Failure to follow institutional business processes in obtaining appropriate pre-approvals can result in unwanted institutional liability, unauthorized procurements, unnecessary and sometimes suspect after-the-fact reallocation of charges, significant audit exposure, and revocation of employee privileges. **Do not make employment promises or allow individuals to begin grant/contract work, travel, or procure equipment or goods or services until required pre-approvals have been obtained.***

If, during the course of a project, it becomes apparent that major modifications to the scope of the project or to the budget may be required (e.g., extended absence of the PI/PD; significant change in level of effort of key personnel; need to retain an external entity to assist in completing the project; need for a time extension to accomplish project objectives; etc.), the PI/PD should consult with the Office of Sponsored Programs & Research Administration. Such project or budget modifications may require sponsor pre-approval as well as internal review and pre-approval to ensure allowability and use of appropriate business processes.

Following are some of the more common transactions that may be required on a sponsored project. This document is intended to provide guidance to Principal Investigators/Project Directors in negotiating VSU's business processes. Because these processes are fluid, the PI/PD should direct any questions to the responsible business unit. This list is not exhaustive. The Office of Sponsored Programs & Research Administration and the Grants & Contracts Accountant may be consulted at any time regarding non-routine sponsored project financial management issues.

- **Subawards:** If the sponsored project includes plans for subawarding of funds to another entity, the transaction will be initiated by the Office of Sponsored Programs & Research Administration. The PI/PD must submit a request to Purchasing (and update it annually as appropriate) to encumber the subaward funds in the project budget. **The subawardee may not begin work on the project until OSPRA has either issued a subaward document or a letter of intent to subaward to the subawardee entity.** OSPRA will issue annual amendments to subawards as appropriate, with the PI/PD requesting encumbrance of additional subaward amounts.
- **Grant-Paid Faculty Course Release:** If the approved sponsored project plan includes a course release, consult with your Department Head to confirm timing of the release. When the course release is confirmed, follow the instructions for "Grant-Paid Release Time" below. Note that the Department Head is responsible for hiring and compensating a part-time adjunct instructor to cover the released course with departmental funds freed up in the department's personnel budget.
- **Grant-Paid Release Time:** If the sponsored project will pay a portion of an individual's academic or calendar year salary (which may or may not include a course release), the Grants & Contracts Accountant will instruct the individual to prepare a Position Funding Request (PFR) to distribute a portion of his/her pay to the sponsored project account. This form must be completed, signed by the individual and/or the Principal Investigator/Project Director (PI/PD) and the individual's Department Head/Unit Director, and sent to Human Resources & Employee Development for processing. **The PFR should be completed before work to be paid by the grant/contract begins.**
- **Cost-Shared Time:** If the institution has formally committed a portion of an individual's time as cost-share (contributed effort not compensated by the sponsored project), which may or may not include a course release, the Grants & Contracts Accountant will complete a payroll distribution form to move a portion of the individual's regular

departmental pay to a cost-share account that is linked to the sponsored project account. This form will be provided before the cost-shared effort commences. Signatures of the individual contributing cost-shared effort, the PI/PD, and/or the individual's Department Head/Unit Director are required. The form should be returned to the Grants & Contracts Accountant.

- **Faculty Summer Compensation:** In late Spring semester, faculty scheduled to receive summer compensation from sponsored projects will receive a request from the Office of Sponsored Programs & Research Administration (OSPRA) to reconfirm their intent to work on the sponsored project during the summer. OSPRA will ensure that these faculty are added to the summer roster. No other paperwork is required.
- **Faculty Extra Compensation:** Any extra compensation proposed for faculty on sponsored projects must meet Board of Regents requirements and, if federally funded, must meet the allowability requirements of OMB Circular A-21, including prior approval of the sponsor (preferably in the initial approved budget). Extra compensation on sponsored projects is accomplished through the institution's regular extra compensation process. For sponsored projects, the inclusive dates over which the extra compensation will be earned must fall within the current budget period. The faculty member must also note on the extra compensation request form the minimum number of hours that will be spent on the project so that the institution can assure that the individual's normal rate of pay is not exceeded for the extra work (BOR and federal restriction). **The request for extra compensation must be completed and approved before the extra work begins; payment for the extra work should be scheduled after anticipated completion of the work or, as appropriate, in increments with the final payment scheduled after anticipated completion.**
- **Administrative/Professional/12-Month Employee Extra Compensation:** Any extra compensation proposed for 12-month or salaried employees on sponsored projects must comply with the Fair Labor Standards Act (FLSA) and must have prior approval of the sponsor, preferably in the initial approved budget. Extra compensation on sponsored projects is accomplished through the institution's regular extra compensation process. For sponsored projects, the inclusive dates over which the extra compensation will be earned must fall within the current budget period. The employee must also note on the extra compensation request form the minimum number of hours that will be spent on the project so that the institution can assure that the individual's normal rate of pay is not exceeded for the extra work. **The request for extra compensation must be completed and approved before the extra work to be paid by the grant/contract begins.**
- **Graduate Assistantship:** The sponsored project budget must cover both the salary and the tuition portions of a new graduate assistantship. Consult the [Graduate School website](#) for procedures to establish and fill a Graduate Assistant position. The Grants & Contracts Accountant will assist in charging GA tuition to the sponsored project account. **Students may not start work on the sponsored project until all paperwork is complete.** In unusual circumstances, and with approval of the Graduate School, the duties of an institutionally funded graduate assistantship may be expanded to include sponsored project work; in these cases, sponsored project funds may be used to increase the GA's salary without the sponsored project also contributing to tuition cost.
- **Student Assistant Wages (Undergraduate and Graduate Hourly):** Consult the [On-Campus Student Employment Office website](#) for procedures to establish and fill an hourly student assistant position. The PI/PD is responsible for approving students' electronic time cards. **Students may not start work on the sponsored project until all paperwork is complete.**
- **Travel:** Regular [VSU travel procedures](#) apply. Travel authorization requests must be approved by the PI/PD and the Department Head/Unit Director. **All travel must be approved prior to departure.** Travel reimbursement requests should be submitted through the PeopleSoft Expense Module. **Reimbursement must be requested within 60 days of return.** Note that international travel may be subject to special sponsor approvals and governmental requirements (such as the Fly America Act); the PI/PD is advised to consult with OSPRA or the Grants & Contracts Accountant prior to booking any international travel on sponsored projects.

- **Purchase of Supplies and Materials via PCard:** The PI/PD may obtain a PCard for purchase of allowable supplies and materials from external suppliers for the sponsored project. He/she must follow all institutional requirements for PCard purchasing. See the [Purchasing Services website](#) for additional information about PCard procedures.
- **Non-PCard Purchase of Supplies and Materials:** If goods cannot be purchased using a PCard, use the ePro purchasing system or submit a Service Request Form (“Goldenrod”) to Purchasing Services to have a Purchase Order issued. All purchases must have two approvers. Invoices must be approved by the PI/PD before being paid by Accounts Payable. See the [Purchasing Services website](#) for additional information about non-PCard purchases. ***Do not pay for items out-of-pocket and plan to request reimbursement later! Likewise, do not ask an external entity to send goods or materials to you without going through the purchasing process. Both of these actions constitute an unauthorized procurement that creates extra work and audit risk for the institution and could lead to charges of employee malfeasance and loss of privileges that will make management of the sponsored project more difficult.***
- **Mailing and Shipping:** Follow [Campus Mail Services procedures](#). Use the sponsored project account number on the Letter & Package Processing Request form.
- **Contractual Services:** Contractual services include analytical services, transcription services, indexing services, and the like that are provided by **external** vendors (i.e., non-VSU departments or employees). Contracts for services are handled by Purchasing Services. The request is made with a Service Request Form (“Goldenrod”), which initiates the issuance of a Purchase Order. Please consult with Purchasing regarding any other required paperwork. Invoices must be approved by the PI/PD before being paid by Accounts Payable. See the [Purchasing Services website](#) for additional information. ***Do not pay for services out-of-pocket and plan to request reimbursement later! Likewise, do not ask an external entity to render services (such as consulting, sample analysis, records transcription, etc.) without going through the purchasing process. Both of these actions constitute an unauthorized procurement that creates extra work and audit risk for the institution and could lead to charges of employee malfeasance and loss of privileges that will make management of the sponsored project more difficult.***
- **Participant Support Costs (Educational/Service Programs):** These costs are separately budgeted and include tuition and stipend payments and possibly some purchases (i.e., books, materials, electronic equipment) for participants in an educational program. Funds for participant support costs in an approved sponsored project budget generally cannot be used for other purposes without prior approval of the sponsoring agency. Various internal procedures apply to participant support costs. Please consult with the Grants & Contracts Accountant for assistance.
- **Research Participant Payments:** If the sponsored project includes funds to compensate research participants, follow the institution’s [Research Participant Payment Procedures](#) available on the OSPRA IRB website.
- **Other VSU Services (including Library, Copy Shop, and Central Stores):** Follow VSU internal procedures. Provide your grant account number when charges are made.