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## I. INTRODUCTION

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Elmhurst University (“the University”) receives external funding for research, training and public service from both federal and non-federal sponsors. As a recipient of Federal funding, the University is required to comply with the Office of Management and Budget’s (OMB) “[2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#),” commonly referred to as “Uniform Guidance,” as well as agency-specific regulations. Other government entities, including the City of Chicago and State of Illinois, often incorporate Uniform Guidance with their own specific guidelines and requirements. Foundation and corporate sponsors typically have their own rules and regulations as well.

This Handbook is intended to define the University’s institutional policies and procedures to guide faculty and staff in seeking and managing sponsored awards, regardless of source of funding. Federal regulations, however, are used as the basis for these policies. If a non-federal sponsor’s regulations conflict with the federal regulations, the non-federal agency terms and conditions should be followed. It may not always be obvious whether an award includes federal funds. As such, it is important to read all sections of award documents and their referenced terms and conditions to appropriately identify the requirements imposed on the University.

Any questions or suggested updates to this Handbook should be sent to [grants@elmhurst.edu](mailto:grants@elmhurst.edu).

## II. GLOSSARY OF COMMONLY USED TERMS

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The following list defines commonly used terms within sponsored award administration. Specific words may vary from sponsor to sponsor, but their intended meaning is usually the same.

**Allocable Cost:** An expense that can be assigned, or charged, to one or more programs on the basis of proportional benefit to each program.

**Allowable Cost:** An expense that is reimbursable under the terms and conditions of a federal award. An expense must meet four allowability tests to be deemed an allowable cost.

**Award:** A financial assistance mechanism whereby money and/or direct assistance is provided to carry out approved activities. See also [Grant](#) and [Sponsored Project](#).

**Budget Period:** An interval of time into which the project period is divided for budgetary and

funding purposes. Many sponsors consider each year of a multi-year project to be a distinct budget period.

**Co-Investigator (Co-I):** An individual recognized by the sponsor as sharing responsibility for completing work supported by a federal award, including the associated compliance and reporting obligations, with the principal investigator. A Co-I may be a University colleague or an employee of another institution partnering on the project.

**Conflict of Interest:** A real or apparent conflict between one's personal interest in a matter and one's duty to another, or to the public in general, regarding the same matter.

**Contract:** A mechanism for procurement of a good or service with specific obligations for both the sponsor and the recipient.

**Contractor (vendor):** An entity that provides goods and/or services within normal business operations. Vendors provide similar goods/services to many different purchasers, operate in a competitive environment and provide goods/services that are ancillary to the operation of the sponsored project. Vendors may or may not be subject to all compliance requirements.

**Cooperative Agreement:** A federal financial assistance mechanism to be used in lieu of a grant when the sponsor anticipates substantial programmatic involvement with the recipient during performance.

**Cost Sharing:** Sharing a portion of the total cost of a sponsored project with the sponsor. A sponsor may require, permit or prohibit cost sharing. Committed sharing is quantified in a proposal while uncommitted cost sharing is not identified in a proposal. Cost sharing on federal awards requires that all expenses used to meet the cost sharing obligation be subject to the same regulations as those costs directly supported by awarded funds. Cost sharing may also be referred to as "matching."

**Cost Transfer:** An after-the-fact reallocation of expense, either salary or non-salary to a sponsored project. EC commonly refers to a cost transfer as a "reclassification," "reclass" or simply "transfer."

**Debarment:** A final action that excludes an entity from receiving federal financial and nonfinancial assistance and benefits and has a government wide effect. Debarment can occur for the following reasons: conviction for fraud or other criminal offense, misrepresentation, false certification, the illegal payment of gratuities, or deliberate or repeated failure to perform contractual obligations. (See also "Suspension"). Debarred institutions cannot receive federal funds and the University cannot partner with debarred institutions on federally-funded projects.

**Direct Costs:** Costs that can be specifically identified as having direct benefit to a particular activity or project.

**Data Universal Numbering System (DUNS) Number:** A nine-digit number established and assigned by Dun and Bradstreet, Inc. to uniquely identify entities that seek federal funding. A non-federal entity is required to have a DUNS number in order to apply for, receive and report on a federal

award.

**Effort:** The amount of time an employee spends working on a particular project, expressed as a percentage of time the employee spends working on all projects.

**Effort Verification:** The process by which after-the-fact interim effort allocated to a federal award is reviewed to ensure that the amount charged to the award is accurate, allowable and properly allocated.

**Equipment:** As defined by most sponsors, an article of tangible, nonexpendable property having a useful life of more than 1 year and an acquisition cost of \$5,000 or more per unit.

**Expanded Authorities:** The operating authorities provided to grantees under certain funding mechanisms that waive the normally required sponsor prior approval for specific actions.

**Expiration Date:** The date signifying the end of the current budget period, as indicated on the notice of grant award, after which the grantee does not have authority to obligate grant funds.

**Federal Audit Clearinghouse:** A division of the Office of Management and Budget (OMB) that collects information on the Single Audit (formerly known as A-133) Uniform Guidance Audit Requirements (Subpart F) results.

**Gift:** An irrevocable transfer of assets (e.g. cash, securities, real or personal property) made by a donor without any expectation or receipt of direct economic benefit or tangible compensation (goods or services) from the recipient commensurate with the value of the gift.

**Grant:** A financial assistance mechanism whereby money and/or direct assistance is provided to carry out approved activities. A grant is used whenever the sponsor anticipates no substantial programmatic involvement with the recipient during performance. See also [Award](#) and [Sponsored Project](#).

**Human Subject:** A living individual about whom researcher obtains (1) data through intervention or interaction with the individual or (2) identifiable private information.

**Indirect Costs:** Costs that cannot be specifically identified with a particular activity or project. Indirect costs benefit all activities or projects to a mutual extent. Common examples of indirect costs are the costs related to accounting functions, human resources and payroll.

**No-Cost Extension:** An extension of a budget period without additional funds awarded. No-cost extensions are generally not to exceed 12 months. Some sponsors may require written approval before a no-cost extension will be granted while others require recipients to provide notification that an extension is required.

**Noncompeting Continuation Application:** A request for financial or direct assistance for a subsequent budget period within a previously approved project period. This term is generally used by the National Institutes of Health (NIH).

**Notice of Award:** The document that notifies a recipient that a grant or cooperative agreement has

been made. It contains or references all terms of the award and documents the obligation of sponsor funds.

**Office of Management and Budget (OMB):** The business division of the Executive Office of the President of the United States that administers the United States federal budget and oversees the performance of federal agencies. Working cooperatively with the grant-making agencies and the grantee community, OMB leads development of governmentwide policy to assure that grants are managed properly and that federal dollars are spent in accordance with applicable laws and regulations.

**Pass-Through Entity (PTE):** A non-federal entity that awards some or all of the federal funds it has received to another entity to complete a substantive portion of a federally-sponsored project. See also [Subaward](#) and [Subrecipient](#).

**Prime Award:** An award made directly from a sponsor to a recipient.

**Principal Investigator (PI):** An individual designated by the recipient to direct a sponsored project. The PI is responsible and accountable to recipient entity officials for the properly conducting the project. The entity is, in turn, responsible and accountable to the sponsor for the performance and financial aspects of the sponsored project. Some agencies use terms like **Project Director** to refer to the same.

**Prior Approval:** Required written approval from a sponsor *before* undertaking certain activities or revisions related to a sponsored project. Prior approval may be required for changes to a project's budget, staffing or scope of work.

**Program Officer:** The sponsor's awarding office official who is responsible for the technical, scientific or programmatic aspects of a sponsored project. Such individuals deal the grantee organization staff to assure programmatic progress.

**Project Period:** The total time for which support of a sponsored project has been approved. A project period may consist of one or more budget periods. The total project period comprises the original budget period and any extensions.

**Proposal:** A written request, or application, for financial support of a project, submitted to an external sponsor in accordance with instructions provided by the sponsor.

**Reasonable Cost:** A cost that when the nature of the goods or services and the amount are considered, 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.

**Recipient:** The entity or individual to which an award made. A recipient is responsible and accountable for using the funds in fulfillment of an approved scope of work. The recipient is the entire legal entity even if only a particular department or unit is described in the award document.

**Request for Proposal (RFP):** A document that solicits proposal, often made through a bidding process, by an agency or company interested in procurement of a commodity, service, or valuable

asset, to potential suppliers to submit business proposals.

**Simplified Acquisition Threshold:** The dollar amount below which a non-federal entity may procure services, supplies and other property with federal funds by obtaining an adequate number of price or rate quotations from qualified providers. Procurement transactions above this dollar require competitive bids. The Simplified Acquisition Threshold is currently set at \$250,000.

**Solicitation:** A document which provides the requirements and instructions for the submission by eligible applicants identified in the document's text of requests for Federal domestic assistance (funds) for one or more programs or grants-in-aid.

**Sponsored Project:** A defined project or activity funded in full or in part by an external sponsor. Sponsored projects typically include an approved budget, scope of work and specific period of performance. Sponsored projects are performed in accordance with the sponsor's regulations and program and/or compliance requirements.

**Subaward:** An award made by a non-federal entity to a subrecipient in order to complete a substantive portion of a federally-sponsored project. A subaward typically includes all the terms and conditions of the prime award as well as any additional terms and conditions the pass-through-entity deems necessary to successfully complete the project and/or ensure compliance. This term does not apply to the procurement of goods or services from a vendor.

**Subrecipient:** An entity eligible to receive a subaward from a pass-through entity. Subrecipients are responsible for performing a substantive portion of the program, as opposed to providing good and/or services.

**Subrecipient Monitoring:** The activities undertaken by a pass-through-entity to ensure the subrecipient is performing to satisfaction and remains compliant with federal regulations and audit requirements and maintains its eligibility to receive federal funds.

**Supplemental Application:** A request for an increase in support during budget period to expand the project's scope or research protocol. Supplemental applications may also be used to request additional funds to meet increased administrative costs unforeseen at the time of the original proposal.

**Suspension:** Temporary withdrawal of a non-federal entity's authority to obligate previously awarded funds before that authority would otherwise expire, including the voluntary relinquishment of that authority by the nonfederal entity.

**Terms and Conditions:** All legal requirements imposed on an award or contract by the sponsor, whether by statute, regulation or terms in the award document.

**Total Project Costs:** The total allowable costs incurred by an entity carry out an approved sponsored project, including direct and indirect cost as well as any cost-sharing.

**Unallowable Cost:** An expense that is not reimbursable under the terms and conditions of federal

award and/or those specifically identified as unallowable. Expenses that are not sufficiently documented and/or were not included in the approved budget are unallowable even though they may meet other standards of allowability.

**Uniform Guidance:** Codified publication issued by the Office of Management and Budget (OMB) entitled, “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Award.” Issued on December 26, 2013, the Uniform Guidance, sometimes referred to as the “Super Circular” or “Omni Circular,” supersedes requirements of OMB Circulars A-21, A-87, A-110, A-122, (which have been placed in 2 C.F.R. Parts 220, 225, 215 and 230); Circulars A-89, A-102 and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.

### III. ROLES AND RESPONSIBILITIES

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The responsibilities for seeking, accepting and managing sponsored awards is shared by a number of offices/individuals at the University. In general, central administrative offices are responsible for overall institutional compliance, internal controls, and supporting the administrative functions associated with executing the sponsored award project. Principal Investigators are responsible for meeting the sponsor guidelines and performing the work under the sponsor award.

#### Office of Business and Finance

- Oversee the submission of extramurally-funded proposals and the negotiation of grants, contracts and subawards
- Provide required institutional information and documentation for proposal submission
- Answer questions related to sponsor guidelines and proposal requirements
- Negotiate and accept awards and subawards on behalf of the institution
- Review and approve indirect cost waivers and cost sharing commitments
- Review and submit agency prior approval requests
- Review subrecipient audit results and conduct subrecipient risk assessments
- Review, approve and process cost transfers
- Request and collect federal award payments (drawdowns)
- Prepare and submit sponsor-required financial reports
- Prepare subaward agreements on behalf of the institution
- Interpret government guidelines and regulations and maintain institutional policies and procedures to satisfy these requirements
- Ensure internal controls and documentation comply with federal, state and private sponsor regulations and guidelines
- Maintain central award files (proposals, awards, financial reports, etc.)
- Maintain institutional compliances; e.g. IRB, conflict of interest, federal- wide assurances, etc.
- Maintain institutional signature authority on extramurally-funded proposals and awards
- Maintain institutional accounts for sponsor’s electronic administrative and proposal systems; e.g. grants.gov, sam.gov, g5.gov, etc.

- Initiate fund number requests for new and amended awards
- Assist PI with development of grant proposals including compliance submissions; e.g. IRB protocol and budget
- Assist PI with HR, payroll and procurement actions and maintain required documentation
- Maintain budget versus actuals and projections for awards in PI's portfolio, reconciling to the financial system, and meet with PI to review
- Initiate cost transfers to correct award expenditures and/or reallocate payroll expenses as necessary
- Track sponsor-required technical/progress reports and assist PI in preparing those reports when appropriate. Confirm closeout requirements have been met and close fund number in the financial system
- Manage grant-related audits including the federal Single Audit
- Provide payroll, procurement and accounting services
- Ensure compliance with institutional policies and procedures
- Manage external audits
- Prepare sponsor-required invoices

**Principal Investigator/Project Director**

- Request approval to respond to funding solicitations
- Prepare grant proposals in accordance with sponsor guidelines and funding announcements
- Submit human subject and animal protocols and amendments to Institutional Review Board
- Oversee award spending including payroll, procurement, travel etc.
- Review and verify payroll charged to federal awards
- Review award expenses to confirm compliance with sponsor and award regulations
- Prepare agency prior approval requests; e.g. budget revisions, no-cost extensions, etc.
- Prepare sponsor-required technical/progress reports
- Approve scope of work and budget for subawards
- Review subrecipient progress and approve invoices based on work completed and compliance with subaward requirements

**Academic Department or Sponsoring Department (Administrative support)**

- Process necessary human resource actions (e.g. new positions, additional compensation, etc.) for sponsored awards

**Office of Institutional Advancement**

- Assist faculty and staff in identifying private funding opportunities
- Cultivate and manage relationships with foundation and corporate sponsors
- Review and approve competitive proposals submitted to corporate and foundation sponsors
- Solicit gifts and from corporate, foundation and private donors
- Assist faculty and staff in submitting non-competitive proposals to corporate and foundation sponsors
- Manage donor correspondence and sponsor recognition



### **Library – Institutional Review Board & IACUC**

- Maintain institutional compliance for research including human subjects and animals
- Review protocols involving human subjects and animals

### **Human Resources**

- Support recruitment and hiring of permanent and temporary staff
- Conduct background checks are required by the sponsor
- Manage termination of temporary staff at end of sponsored award

## **IV. SPONSORED AWARDS POLICIES AND PROCEDURES**

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To accept Federal funding including Federal pass-through funding (i.e., another entity receives a Federal award and engages Elmhurst University as a subrecipient of that award), the University is required to meet Public Policy requirements and maintain internal controls for the management of Federal awards. For consistency purposes, the following policies and procedures apply to Federal and non-Federal sources of funding unless the non-federal sponsor has published terms and conditions that conflict with Federal guidance. In those cases, the non-federal terms and conditions will govern the award.

### **A. INSTITUTIONAL COMPLIANCE**

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#### **A.1 Academic Integrity Policy**

The University's Academic Integrity Policy may be found in the Faculty Manual (June 2018). Violations of academic integrity should be reported to the Faculty Council (Section 1.3). The "Code of Academic Integrity" policy in the Student Handbook (published yearly) covers any Elmhurst University students engaged in research.

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#### **A.2 Anti-Discrimination and Harassment**

The University's policy can be found at:

<https://elmhurst.teamdynamix.com/TDClient/1779/Portal/KB/ArticleDet?ID=95904>

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#### **A.3 Debarred and Suspended Vendors**

Per OMB's Uniform Guidance [§200.213](#) Suspension and Debarment, the Federal government restricts the University from issuing subawards and contracts to entities that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Principal Investigators should not engage with entities that are debarred or suspended as indicated

in the Federal government's System for Award Management ([sam.gov](https://sam.gov)). If uncertain of the status of a subrecipient or vendor, contact the **Financial Affairs' Office** for assistance.

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#### A.4 Drug-Free Workplace

Refer to the University's policy "HR 1.2 Drug Free Work Place":

<https://elmhurst.teamdynamix.com/TDClient/1779/Portal/KB/ArticleDet?ID=95904>

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#### A.5 Equal Opportunity

Refer to the University's policy "HR 2.1 Equal Employment Opportunity":

<https://elmhurst.teamdynamix.com/TDClient/1779/Portal/KB/ArticleDet?ID=95904>

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#### A.6 Lobbying

Refer to the University's policy "Comm 7.6 Political & Campaign Activities":

<https://elmhurst.teamdynamix.com/TDClient/1779/Portal/KB/ArticleDet?ID=94489>

The lobbying of an officer or employee of any Federal sponsor, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a Federal award is prohibited without written approval from the President of the University.

Federal sponsors may require a disclosure of lobbying activities and the Authorized Official Representative in the Office of Business and Finance can complete this disclosure on behalf of the University.

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#### A.7 Patents and Copyrights

The University's policy can be found at:

<https://elmhurst.teamdynamix.com/TDClient/1779/Portal/KB/ArticleDet?ID=94489>

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#### A.8 Protection Human Subjects and Animals

The Institutional Review Board in the Library maintains the University's policies and procedures and can be found at: <https://elmhurst.teamdynamix.com/TDClient/1779/Portal/KB/ArticleDet?ID=94489>

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#### A.9 Responsible Conduct of Research

The "America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education, and Science (COMPETES) Act" (42 U.S.C. 1862o-1), Section 7009 requires that Principal Investigators applying for research awards for science and engineering research or education describe in its grant proposal a plan to provide appropriate training and oversight in the responsible and ethical conduct of research to undergraduate students, graduate students, and postdoctoral researchers participating in the proposed research project.

The RCR training requirement excludes conference, symposium, workshop, or travel proposals. Principal Investigators should confirm the training requirements when applying for Federal grants and include a training plan in the proposal narrative when required.

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#### A.10 Conflict of Interest

The University's policy can be found at:

<https://elmhurst.teamdynamix.com/TDClient/1779/Portal/KB/ArticleDet?ID=94489>

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#### A.11 Hazardous Waste

Refer to the University's policy "Security 4.2 Hazardous Material Management":

<https://elmhurst.teamdynamix.com/TDClient/1779/Portal/KB/ArticleDet?ID=94489>

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### B. PROPOSAL PREPARATION AND SUBMISSION

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#### B.1 Signature Authority for External Grant Applications and Awards

##### Policy:

Application for financial support from sponsoring agencies is typically accomplished by the submission of a formal grant proposal, which has passed through an internal review process. The proposal is the document on which the University and the sponsor base their commitments of funds facilities, and services for the performance of the proposed project.

The final proposal requires the approval of the University's Authorized Official Representative (AOR) or documented designee before it's submitted to the sponsor. This approval is obtained using the below procedure and the **Sponsored Project Proposal Approval Form**. The AOR will submit the application unless sponsor guidelines require another submission method (e.g. submitted directly by the proposal's Principal Investigator).

Failure to obtain the required internal approvals may result in the University's refusal to accept the award.

Note: It may be unclear if a sponsor intends to provide funding through a sponsored award (grant) or a gift. See the [Gift versus Sponsored Awards Guidance](#) to help with making the distinction as this policy applies to sponsored awards but not gifts.

##### Procedure:

The following steps should be followed to ensure the proper University approvals are obtained before a proposal is submitted to an external sponsor on behalf of Elmhurst University:

- (1) Identify the funding opportunity for the project. Federal award opportunities are posted to [grants.gov](https://www.grants.gov). The Office of Institutional Advancement can assist in identifying corporate and foundation sponsors.
- (2) Send the solicitation to the Grants Coordinator (GC), Office of Business and Finance via [grants@elmhurst.edu](mailto:grants@elmhurst.edu).
- (3) Work with the GC to confirm eligibility, identify general sponsor requirements (e.g. cost sharing, budget ceiling and deadlines) and set timeline for completion working backward from application deadline. The timeline should include the submission of the full proposal to the AOR for review two (2) full working days prior to the sponsor's application deadline.
- (4) Write a draft of the proposal, carefully following the guidelines of the solicitation or RFP and sponsor's requirements with assistance from the Grants Coordinator (GC) as appropriate. The GC can help interpret application requirements. Obtain the appropriate guidelines, application forms and other required data for the project via the sponsor's website or online portal (e.g. NSF Fastlane) or from the GC.
- (5) Begin work on the budget. Work with department personnel and the Grants Coordinator to develop the budget. Refer to [Allowable Costs and Direct Charging to Sponsored Awards](#) for further guidance.
- (6) Collect letters of support, cost sharing commitments, instructional releases, indirect cost waivers etc.
- (7) Complete the **Sponsored Project Proposal Approval Form** and obtain the appropriate internal approvals to submit the proposal. Send the completed form and full proposal to the GC at [grants@elmhurst.edu](mailto:grants@elmhurst.edu) at least two (2) full working days before the sponsor's application deadline.

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## B.2 Limited Proposal Solicitations

Some agencies limit (or restrict) the number of proposals which may be submitted by an institution to a particular program solicitation. In cases where this or other submission restrictions exist, the Grants Coordinator will coordinate the selection of proposals to be submitted with the Office of Academic Affairs including engaging Institutional Advancement for private funders. Review and selection of the proposal(s) to be submitted is made by the Principal Investigator with input from the department Chair as needed. It is the Principal Investigator's responsibility to notify their University/unit if submission to a restricted proposal solicitation is desired.

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### B.3 Gift versus Sponsored Awards Guidance

The University must manage funds received in accordance with applicable Federal, state, and local laws, and with the specific terms and conditions of any gift, grant or contract. EC's approval, negotiation and agreement processes and mechanisms, accounting, budget practices, oversight, and compliance practices differ depending on whether funds received are categorized as a gift or as a sponsored award. It is, therefore, important that categorization of external funding received be determined when a proposal is being prepared (when applicable) or when an award document is received. This guidance is intended to facilitate the appropriate classification of gifts vs. sponsored awards and to ensure that external funding directed to the EC receives the proper compliance review, administrative oversight, and monitoring.

#### **Definition of a Gift:**

A gift is motivated by charitable intent and is defined as a voluntary and irrevocable transfer of funds or assets from a donor to the University, where no goods or services are expected, implied or forthcoming by or to the donor. In general, cash received as a grant from a private, non-government source is considered a gift if, unlike a sponsored research grant, it is donative in nature; i.e., it is bestowed voluntarily and without expectation of any tangible compensation or return of services rendered directly to the donor. The gift may be unrestricted or may support a specific project, academic area, research program, or other University programs. Generally, such gifts are processed and administered by the Office of Institutional Advancement.

#### **Definition of a Sponsored Award:**

A sponsored award includes funding arrangements in which the University is providing a return benefit to, or agrees to provide a defined deliverable or complete a set of activities for, the sponsor in exchange for the funds, regardless of whether the funding instrument is designated a contract, cooperative agreement, grant, consortium agreement, or otherwise. A sponsored award also includes subcontracts and subgrants, whether from Federal or nonfederal sources. service projects.

The following are general characteristics of a sponsored award:

- There is a scope of work.
- There is a period of performance.
- The resources can be revoked.
- There is patent, intellectual property, or other intangible rights involved in the transaction.
- There is either a technical or financial report involved in the transaction. Such reports go beyond the scope of a general statement of how the contribution was used in support of the resource provider's interests.
- The sponsor has either explicit or implicit guidelines for performance that go beyond the scope of expending the funds to meet the intention of their contribution.
- There is a contractual agreement to be signed and executed, even if it appears to be 'boilerplate' terms and conditions. A contractual agreement is a bi-lateral legal instrument that imposes an undertaking on the part of the University. Contractual agreements do not include unilateral communications such as acknowledgements, receipts, recognition and letters of appreciation.

In situations in which the determination of gift vs. sponsored program award is not obvious, contact the Grants Coordinator at [grants@elmhurst.edu](mailto:grants@elmhurst.edu) for guidance.

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## C. AWARD ACCEPTANCE AND FISCAL MANAGEMENT

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### C.1 Advance Expenditure Authorization

#### **Policy:**

The University will permit advanced spending on a sponsored project with written approval from the Chair with oversight over the department to whom the award will be made and the Office of Business and Finance.

A Principal Investigator can request advanced spending approval by sending a request to the Grants Coordinator (GC), Office of Business and Finance via [grants@elmhurst.edu](mailto:grants@elmhurst.edu). The request should include a “guarantee” fund to which expenses can be transferred if the sponsor’s award agreement is not accepted, or the award is not received.

If pre-award spending requires prior sponsor approval, the GC is responsible for coordinating that request from the Principal Investigator.

If approved by the GC, the sponsoring department and sponsor (if required), the GC will request a new fund number or provide for a budget increase to an existing project to permit advanced spending. Advanced expenses incurred must be in accordance with applicable sponsor regulations and compliance requirements and must be both reasonable and necessary for the completion of the sponsored project.

The Principal Investigator is responsible for requesting this authorization prior to incurring any expenses or entering contractual obligations with vendors/partners. The Principal Investigator is responsible for project activity and spending as outlined in the project proposal.

Advance Expenditure Authorization may be requested if the project work has begun but the final sponsored award has not been accepted by Elmhurst University. For these situations, the University allows for a fund to be created to charge project expenses until award is received. It is the responsibility of the Principal Investigator (PI) to request this authorization and to provide alternative funding if the award is not received.

#### **Procedure:**

The following steps should be followed by the Principal Investigator to obtain an Advance Expenditure Authorization:

1. Email the Grants Coordinator (GC) at [grants@elmhurst.edu](mailto:grants@elmhurst.edu) requesting approval of advanced spending, provide the “guarantee” fund, and attach documentation that indicates that an award is pending from a sponsor (e.g. award letter, email from sponsor, draft award

agreement).

2. Copy the Department Chair on the email request so he/she can review and approve the request

If approved, the GC will take one of the following actions, depending on the need for a new fund number:

- a. If a new fund number is needed, the GC will submit a request for the new project.
- b. If an existing fund number is to be used, the GC will initiate an increase in the fund's existing budget to accommodate the additional expenses to be supported by the new award.

If not approved, a new fund number will not be created until the award agreement is executed, neither shall any expenses incurred prior to the execution of the agreement be applied against the awarded funds.

In the event that the sponsor's award agreement is not accepted, or the award is not realized, the GC will initiate a transfer of advance expenditures incurred to the "guarantee" fund number included on the email request.

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## C.2 Award Acceptance and Project Setup

### Policy:

Elmhurst University requires that all federally sponsored awards be reviewed and accepted by the Office of Business and Finance on behalf of the University. Many awards require the signature of an authorized institutional official to formally accept the terms and conditions of the award.

The Grants Coordinator is responsible for reviewing all terms and conditions of an award before acceptance to ensure that the sponsor's requirements can be met. If a Principal Investigator (PI) is contacted directly by a sponsor regarding the terms of an award under discussion, they should be referred to the Grants Coordinator.

### Procedure:

The following steps should be followed to ensure compliance with this policy:

- (1) Notify the Grants Coordinator by emailing [grants@elmhurst.edu](mailto:grants@elmhurst.edu) when a new or draft award is received if received by someone other than the Grants Coordinator. The Grants Coordinator will schedule a meeting to review the award terms and conditions and complete the **New Award Checklist**. The Grants Coordinator will assist in completing a **Fund Setup Request** to assign a fund number and budget for the award.
- (2) Provide instructions Human Resources to allocate project team's payroll to the sponsored award. Human Resources will update the payroll system with the correct distribution(s). Or provide Faculty Affairs with Stipend information, depending on award specifics.
- (3) Setup files to track budget and expenses consistent with the sponsor terms and any cost

sharing requirements. Refer to [Cost Sharing and Matching Requirements](#) policy for further guidance.

- (4) Begin spending the award per the [Allowable Costs and Direct Charging to Sponsored Awards](#) policy.
- (5) Contact the Grants Coordinator with any questions or assistance in tracking budget and expenses.

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### C.3 Allowable Costs and Direct Charging to Sponsored Awards

#### Policy:

Principal Investigators are responsible for the management and administration of his or her award within the requirements imposed by the sponsor and in accordance with the University's policies. Principal Investigators or designees (e.g. Project Directors) are responsible for expenditures of sponsored award funds.

Cost accounting principles for higher education grantees are established by the Federal Office of Management and Budget (OMB). The OMB's [2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) ("Uniform Guidance") contain Federal grant policies applicable to EC, specifically in section "[General Provisions for Selected Items of Cost](#)". The following procedure is based on these provisions, however, if a non-federal sponsor's regulations conflict with the Federal regulations, the non-federal agency terms and conditions should be followed. Keep in mind some non-federal sponsors have more restrictive cost categories.

#### Procedure:

The following criteria should be met when determining costs to include in proposal budgets and subsequently charging sponsored award projects:

1. **Reasonableness:** The nature of the expenditure and the amount reflects an action that a prudent person would take under the circumstances.
2. **Allocability:** The expenditure provides a direct benefit to the project (e.g., the cost of a piece of equipment that is required to accomplish the work of two projects may be proportionately shared by those projects).
3. **Consistency:** Costs incurred for the same purpose in similar circumstances are treated consistently as direct or indirect (F&A) costs across the institution.
4. **Allowability:** Costs conform to any limitations or exclusions as set forth in the OMB Uniform Guidance. Examples of unallowable costs under Federal sponsorship include alcoholic beverages, entertainment costs and memberships.

The following guidelines should be followed when preparing proposal budgets and charging sponsored awards:

#### Direct Costs



Direct costs are those costs that can be directly attributed to carrying out the work of the proposed project. Direct costs may include the following:

Personnel Costs should include only EC personnel and their current salary at the percent of effort that is anticipated. Collaborators at other institutions should be included either as consultants or within a subcontract budget. In developing multi-year project budgets, salary increases of 2.5% per year should be included unless not allowed by the sponsor. Some sponsors have limitations on the amount of salary that may be charged to a grant ("salary caps"). For EC personnel not yet hired, the proposed salaries should be in accordance with approved salary scales and position grades, and the budget should reflect the actual percent of effort that is anticipated.

Fringe Benefits include such items as health insurance, retirement benefits, and Social Security and Medicare. Fringe Benefits must be charged to the project in relationship to the salaries and percentage of effort committed to the project. EC does not have a negotiated fringe benefit rate with the Federal government. The University's average rates for personnel categories are established and approved for use in proposals budgets. For full-time faculty and staff, use 21.8% of amount of salary included in the budget. For student, use 7.65% of amount of salary included in the budget. There should be no fringe benefit costs included in proposal budgets for student workers. These rates are subject to change, so contact the Grants Coordinator at [grants@elmhurst.edu](mailto:grants@elmhurst.edu) for the latest rates.

Consultants provide specific technical expertise that is not available at EC. Consultants are not considered employees of the University and should be accounted for separately in the budget. Some sponsors limit the rate at which consultants can be paid. Consultants should be budgeted only for tasks where on-campus expertise does not exist or is not readily available. Normally, consultants are paid a fee plus travel and other expenses. Some sponsors do not permit payments to consultants and some restrict or limit such payments. If in doubt as to the allowability of or rates paid to consultants, check the sponsor's guidelines or contact the Grants Coordinator.

See [C. 13 Procurement](#) for further guidance.

Equipment - Most sponsors rely on the organization's definition of "capital equipment" to differentiate between equipment and supply categories. Whenever possible, estimated costs should be based on catalogue prices or written quotations, copies of which should be included with the proposals. EC's threshold for classifying an equipment item as capital equipment is a cost of \$5,000 for a single item.

See [C. 13 Procurement](#) for further guidance.

Materials and Supplies includes all consumable materials including the purchase cost of supplies as well as small items of equipment that do not meet the threshold for "capital equipment". Each item or group of items should be listed and carefully justified. Federal sponsors do not allow general office supplies or equipment unless their use can be specifically justified such as being integral to the project. General office supplies are typically not allowed because the costs of those items are recouped in the University's Facilities and Administration (F&A) rate.

See [C.13 Procurement](#) for further guidance.

Travel must be justified on the basis of its benefit to the project being proposed. Travel expenses may include trips to professional meetings, fieldwork and meetings required by sponsors. Allowable costs include meals, lodging, airfare, and ground transportation. Local travel related to subject recruitment and interviews is also allowable. Some sponsors limit per diem reimbursement rates, modes of travel, foreign travel, etc.

Most federal agencies require the use of U.S. carriers for international travel under the Fly America Act (49 USC 40118). The U.S. General Service Administration provides up-to-date guidance on this requirement at

<https://www.gsa.gov/policy-regulations/policy/travel-management-policy/fly-america-act>.

For further guidance, see the University's travel & pcard policies:

F&A 1.28: Travel Advances

F&A 1.29: Travel Reimbursement (1.29.1) and Travel and Reimbursement Report/Employee (1.29.2)

F&A 1.35: Travel Reimbursement

Other Direct Costs may be used for other project expenses that do not fit into the above classifications. Examples include human subject participation fees, repair and maintenance of equipment, rent and utility expenses, communication costs, and some types of telephone service (i.e. long distance, toll charges.). Each item or group of items should be listed and carefully justified.

See [C.13 Procurement](#) for further guidance.

Subawards are agreements by which some scientific or programmatic aspects of a grant made to EC are contracted out to another organization. The subrecipient is expected to work with great autonomy and take full responsibility for its portion of the work. This level of independence and participation in the development and execution of the project distinguishes a subcontractor from the provider of a purchased service (vendor). The primary proposal submitted to the sponsor must include evidence of commitment from the subcontractor, if the subrecipient has been identified, as well as a statement of work and proposed budget. The Grants Coordinator will require evidence of the agreement of the subrecipient institution before approving a proposal submission. Sponsor guidelines may vary; consult the Grants Coordinator for assistance in making this determination.

See [C.9 Subawards & Subrecipients](#) for further guidance.

#### Indirect Costs

Indirect Costs, also known as Facilities and Administrative (F&A) costs, are costs incurred for common or joint objectives of the University and the sponsored program costs that are not readily identifiable with individual projects. F&A costs are charged to sponsored projects based on a federally approved rates negotiated with the Department of Health and Human Services, the cognizant agency for the institution.

EC's current F&A rate is 45% of modified total costs for on-campus programs effective through June 20, 2021. If the program is conducted off-campus, a rate of 23% of modified total direct costs should be used.

Modified total direct costs, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000.

The off-campus rate should be used for all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s).

All externally funded sponsored awards should include the appropriate federally approved rate unless prohibited by law or state or Federal regulations.

This F&A rate is based on real costs incurred by the University to support sponsored awards, including but limited to utility costs, depreciation of buildings and equipment, operations and maintenance costs, grant and contract administration, and general administrative expenses for central offices such as the President, Academic Affairs, Human Resources, and the Office of Business and Finance.

#### Unallowable Costs

The federal government strictly prohibits the charging of the following expenses to federal awards:

- Alcoholic Beverages
- Entertainment (including catering of events/meetings)
- General administrative equipment/supplies
- Sales Tax
- Donations/Lobbying/Fines/Interest

For further guidance, reference OMB's "[2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, General Provisions for Selected Items of Cost](#)". Also, confirm that the specific funding opportunity and/or sponsor guidelines do not include any other unallowable activities/costs not referenced above.

Refer to the University's policy F&A 1.37 Non-Reimbursable Expenses for further guidance.

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### **C.4 Cost Transfers**

#### **Policy:**

A cost transfer is the reassignment of an expense to a sponsored project after the expense was

initially charged to another sponsored project or non-sponsored project. It is expected that all costs charged to a sponsored project are correctly charged at the outset. However, if a correction is needed, the Principal Investigator or designee is required to request the reassignment of the costs within 90 calendar days of the initial charge.

Transfers of costs to any sponsored project account are allowable only where there is direct benefit to the sponsored award project being charged. An overdraft or any direct cost item incurred in the conduct of one sponsored project may not be transferred to another sponsored project account merely for the sake of resolving a deficit or spending a balance.

**Procedure:**

The Principal Investigator (PI) or designee should review sponsored project expenses each month to confirm compliance with applicable regulations and requirements of the sponsoring organizations. If a correction is needed, the following steps should be taken to correct the error:

- (1) Email the Grants Coordinator at [grants@elmhurst.edu](mailto:grants@elmhurst.edu) with the expense(s) that need to be transferred identifying the current fund and the fund that should be charged.
- (2) Include an explanation of how the error occurred and how the expense(s) being transferred benefitted the project (i.e. the fund being charged). If approved, the Grants Coordinator will work with Payroll and the Controller's Office to process the entry in the financial system.

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## C.5 Cost Sharing and Matching Requirements

**Policy:**

An external sponsor may require Elmhurst University (EC) to share in the costs of the sponsored project, i.e., cost sharing is mandatory per sponsor regulations or is a condition of the award. Alternatively, EC may voluntarily commit cost sharing as part of the proposal, e.g., EC may choose to include matching support in a sponsor proposal. For purposes of this policy, cost sharing and matching are synonymous.

It is the University's policy that all faculty and staff who engage in sponsored projects will comply with both University policy and sponsoring agency regulations regarding the proposing, charging, and reporting of cost sharing funds on those projects. The University's policy on cost sharing is applicable to both federal and non-federal sponsored projects.

It is the University's policy that for each sponsored award that includes cost sharing (mandatory and/or voluntary) a written plan for how the cost share will be sourced be approved by the department Chair with oversight over the project and the Office of Business and Finance prior to committing the University to the award (e.g. submitting the proposal, executing the award agreement).

It is also the University's policy that the approved plan be revised or amended each time there is a change in the dollar amount of the cost share obligation or a change in how it will be sourced.

Generally, the University's policy is to not include voluntary cost sharing on sponsored projects.

Per OMB's Uniform Guidance (UG [§200.306](#)), cost sharing or matching must meet the all of the following criteria:

- Are verifiable from University financial records;
- Are not included as contributions for any other Federal award;
- Are necessary and reasonable for accomplishment of project or program objectives;
- Are allowable under Federal regulations or sponsor-specific agency policy;
- Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs; and
- Are provided for in the approved budget when required by the Federal awarding agency.

**Procedure:**

The following steps should be taken by the Principal Investigator or designed to properly document cost sharing commitments:

Proposing Cost Sharing Commitment

1. Confirm that sponsor requirements for cost sharing or matching (1 to 1, 20%, etc.)
2. Determine the source of University fund(s) to meet the cost sharing requirement
3. Email the Grants Coordinator at [grants@elmhurst.edu](mailto:grants@elmhurst.edu) with the following information:
  - a. A description of the level of proposed cost share (1 to 1, 20%, etc.)
  - b. Source and amount of cost sharing (other grants/contracts, private contributions, in-kind donations, University operating funds, etc.)
  - c. Anticipated date(s) cost shared funds be received or realized
  - d. Justification for any voluntary cost sharing (if applicable)
4. Copy the sponsoring Department Chair and/or appropriate institutional official providing funding to meet the cost sharing requirement

The Grants Coordinator will review the documentation and confirm the appropriate approvals have been received prior to including the cost sharing commitment in the grant proposal.

Any revisions to a cost sharing commitment must follow the same procedure.

Tracking Cost Shared Expenses

1. Track cost sharing expenses per each project requiring cost sharing including any voluntary commitment of cost sharing
2. Maintain documentation to support cost sharing expenses and confirm that cost-shared expenses are not counted towards more than one sponsored award commitment
3. Provide documentation to the Grants Coordinator via [grants@elmhurst.edu](mailto:grants@elmhurst.edu) for cost sharing expenses as requested

4. Refer to the refer to the [Post-Award Changes and Sponsor Approvals](#) policy if changes are needed to the original cost sharing commitment

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## C.6 Post-Award Changes and Sponsor Approvals

### Policy:

Projects change or evolve from how they were first proposed to or funded by a sponsor. Many changes that occur in the conduct of sponsored projects require prior written approval from the sponsor. The level at which approval may be granted depends upon the type of award and the sponsor's specific policies governing the award.

A Principal Investigator (PI) should notify the Grants Coordinator for any needed changes to a sponsored project prior to making the change including but not limited to the following actions:

- An extension of time without additional funding, i.e. no-cost extensions
- A change to the budget or rebudgeting of costs between budget categories
- Any change from the approved use of animals or human subjects
- Transferring the performance of substantive programmatic work to a third party
- Absence or change of the Principal Investigator or Key Personnel
- Foreign Travel may require special review, even when the foreign travel has been included in the initially approved budget.
- Issuance of subcontracts or subawards not included in an original proposal.

The Grants Coordinator will assist the PI in requesting the change per sponsor guidelines. PIs should not notify sponsors directly with prior approval requests.

### Procedure:

The following steps should be followed when a change in a project is needed:

- (1) Contact the Grants Coordinator by emailing [grants@elmhurst.edu](mailto:grants@elmhurst.edu) and provide the fund number and requested change to the project. The Grants Coordinator will review the request and applicable sponsor guidelines and will communicate next steps. If sponsor approval is not required, the Grants Coordinator will file the emailed request in the central award file.
- (2) Respond to the Grants Coordinator's instructions if sponsor approval is needed. This will be dependent on what the sponsor requires and per the sponsor's timeline for the request.

The Grants Coordinator will submit the request to the sponsor and notify the PI if the request has been approved or denied.

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## C.7 Effort and Payroll Management

### Policy:

Principal Investigators (PIs) are responsible for ensuring that payroll expenses posted to federal awards are consistent with the actual effort the project team spent on the sponsored project.

Any changes in the original level of effort committed to an award should be within sponsor guidelines. If a change in effort is requires prior approval from the sponsor, refer to the [Post-Award Changes and Sponsor Approvals](#) policy for further guidance. If a payroll charge needs to be reallocated to a different fund number, refer to the [Cost Transfers](#) policy for further guidance.

**Procedure:**

The following steps should be followed by the Principal Investigator (PI) to document payroll charges posted to federally sponsored projects:

- (1) Provide instruction to Human Resources and/or Faculty Affairs to allocate project staff payroll charges to award(s). Payroll updates the payroll system with the correct distribution(s).
- (2) Review payroll charged to federal award(s) throughout the duration of the award period, formally during the quarterly review report meeting.
- (3) Meet with the Grants Coordinator staff meet quarterly to discuss required corrections, as applicable, and reconcile actual effort evidenced by payroll charges to effort commitments for each federal award, including committed cost sharing
- (4) Work with the GC to prepare correcting journal entries and GC provides instructions to Human Resources to update the payroll system with the revised distribution(s)

When the period of performance for a federal award ends mid fiscal quarter, the PI and the Grants Coordinator should schedule an ad hoc meeting to facilitate timely review of the payroll expenses.

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## C.8 Program Income

**Policy:**

Program Income is gross income directly generated by a supported activity or earned as a result of an award and earned by the recipient during the period of a sponsored award. The treatment of program income on Federal grants is stipulated by the administrative requirements of the awarding agency. Similarly, non-federal sponsors may have terms and conditions that govern the treatment of program income.

The Principal Investigator (PI) is responsible for tracking any income generated from the project in accordance with the terms and conditions of the award. The Office of Business and Finance can assist the PI in reviewing the award terms and determining the appropriate treatment of the income.

**Procedure:**

The following steps should be followed if income will be earned on a sponsored award:

- (1) Disclose any opportunities to earn income as a result of an award during the proposal preparation process.

- (2) Review the required treatment of income when the award is accepted. The Grants Coordinator will assist in reviewing the award terms and determine the best accounting method for tracking the income. There are three primary methods for treating program income:
  - a. **Additive:** With prior approval of the Federal awarding agency, program income funds are added to committed funds of the project by the awarding agency and recipient, thus increasing the amount available to accomplish program objectives (increase in available budget).
  - b. **Matching:** With prior approval of the Federal awarding agency, program income is used to finance the non-federal share of the project (offset to cost sharing or matching). Program income is used for costs during the project period unless the sponsor authorizes deferral to a later period.
  - c. **Deductive:** Total funds available to the project remain the same and the funds generated through program income are deducted from the financial commitment of the sponsor (offset to sponsor's funding).
- (3) Track the income per the prescribed method outlined by the Grants Coordinator. The Accounting Office will report any income per the sponsor's terms and conditions.
- (4) Spend income in accordance with the award's terms and conditions

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## C.9 Subawards & Subrecipients

### Overview:

Elmhurst University ("the University") may collaborate with external partners on a sponsored program. When the University receives funding in support of such activities and passes part of that funding to a collaborating institution, the University takes on the role of a pass-through entity (PTE) and the collaborating institution is a subrecipient of said funding. As a condition of its acceptance of funding from sponsors, the University is obligated in its role as primary recipient to undertake certain stewardship activities as well as comply with Federal, state and local regulations when engaging collaborators on sponsored awards.

### Appropriate Use of a Subaward:

A subaward is an appropriate funding mechanism when:

1. The scope of work to be performed utilizes the facilities, employees and/or resources of the subrecipient; and
2. Subrecipient is contributing substantively to the scholarly/scientific conduct of the project as described in the scope of work and has responsibility for programmatic decision making; and
3. Subrecipient has responsibility for adherence to applicable federal program compliance and performance and is measured against whether the objectives of the federal program are met; and
4. Subrecipient brings unique knowledge and/or expertise to the project and conducts work mostly independent of the University's direct supervision or control with only general technical direction and coordination exerted by the University's PI; and



5. Subrecipient does not provide the same goods and services as part of its primary business operations.

**Inappropriate Use of a Subaward:**

A subaward may not be an appropriate funding mechanism if:

1. The agreement is for the provision of goods or services within normal business operations;  
or
2. The organization/business provides similar goods or services to many different purchasers;  
or
3. The organization/business operates in a competitive environment for the provisioning of the goods or services to be procured; or
4. Providing goods or services are ancillary to the operation of the federal program; or
5. The organization/business is not subject to compliance requirements of the federal program.

**Identifying a Subrecipient:**

Most often project collaborators are identified during proposal development. When a proposal containing a subrecipient receives agency approval, the subaward is also approved by default. Should the need for a collaborator be identified *after* an award has been made, the PI must obtain prior approval from the agency before the University can issue a subaward. Regardless of when a subrecipient is identified, the University will require the following documents to initiate a subaward:

- Organization's DUNS number
- Statement of Work
- Budget and budget justification
- Copy of indirect cost rate agreement, if indirect costs are included in the budget
- Debarment and suspension certification
- Institutional letter of support of the work to be performed signed by an Authorized Organizational Representative

Depending on the requirements of the program or federal agency other documents may be required including, but not limited to:

- Available facilities and equipment
- Biographical sketch or CV
- Current and pending support

**Risk Assessment:**

Prior to issuing a subaward, the Grants Coordinator will conduct an assessment to determine the subrecipient's risk of noncompliance with federal statutes, regulations and the terms and conditions of the subaward for purposes of determining appropriate subrecipient monitoring. The FDP Risk Assessment Matrix provides guidance for assessing subrecipient risk but its use is not explicitly required. At minimum, the Grants Coordinator will obtain the subrecipient's DUNS number, verify that the subrecipient is not debarred or suspended from doing business with the federal government and will review the subrecipient's most recent audited financial statements to ensure the subrecipient has met the audit requirements of Uniform Guidance Subpart F as applicable.

An organization is altogether ineligible for a subaward if any of the following conditions apply:

- Subrecipient is debarred or suspended from conducting business with the federal government.
- Subrecipient has no compliant Conflict of Interest policy, as required by the prime award or sponsoring agency.
- Subrecipient's financial management and accounting systems are inadequate to account for award funds in accordance with federal requirements.

**Monitoring Activities:**

The University employs a risk-based approach to determine the appropriate level of subrecipient monitoring activity. The Risk Assessment Matrix provides examples of monitoring activities.

The PI is expected to maintain sufficient contact with subrecipients to monitor overall performance in accordance with the approved scope of work and terms of the subaward. The PI is responsible for reviewing and approving subrecipient invoices based on appropriate expenses consistent with progress made. A PI should notify the Grants Coordinator if an invoice should not be paid due to non-compliance. The Grants Coordinator will assist in developing an action plan for resolution.

The Grants Coordinator is responsible for ensuring subrecipients remain in compliance with the requirements [2 CFR 200.331](#). The Grants Coordinator will monitor the audit results of subrecipients on an annual basis and notify the PI if any audit results impact the current subaward. The Grants Coordinator is responsible for follow-up related to subrecipient audit findings applicable to the subaward.

**Issuing a Subaward:**

The Grants Coordinator will work with PIs to prepare subaward agreements. PIs are responsible for providing a scope of work and any progress reporting requirements, as applicable. The Grants Coordinator is responsible for inclusion of information required by [2 CFR 200.331](#). The Grants Coordinator is ultimately responsible for the issuance and execution of subaward agreements.

Amendments to subawards will also be issued by the Grants Coordinator with input from PIs. Common reasons for amending a subaward include obligating additional funding, extending period of performance or modifying reporting requirements. Prior approval from the awarding agency may be required for changes in scope or subrecipient PI.

**Closeout:**

An integral part of subrecipient monitoring is closeout at the end of the period of performance. During closeout, a final determination is made whether or not the subrecipient fulfilled all of its responsibilities. In general, a subaward is closed when all deliverables have been met and the final invoice payment has been made.

The PI is responsible for obtaining performance/technical reports from the subrecipient. The Grants Coordinator is responsible for obtaining, as applicable, equipment reports, final financial reports and a final invoice. Subrecipient certification of the final invoice indicates technical completion.

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### C.10 Sponsor-Required Reports and Invoices

**Policy:**

Sponsor-required reports must be submitted by the due date stipulated by the sponsor. The Accounting Office is responsible for preparing any financial deliverables required by the sponsor. This include financial reports, invoices, payment requests, and letter of credit draws and report.

Financial data included in any progress or technical reports must be reviewed and approved by the Accounting Office prior to submission to the sponsor. Grant reports for non-federal sponsors will be made available to Institutional Advancement for review upon request.

Supporting documentation for all data included in grant reports (e.g. financial data, programmatic data, participation figures, statistics, etc.) must be retained in digital format and in accordance with the University's document retention policy and specific award requirements.

Principal Investigators are required to maintain all support for programmatic data included in reports in digital format. Principal Investigators are required to make reports and associated supporting documentation available to the Office of Business and Finance upon request.

The Grants Coordinator is responsible for verifying that all financial information reconciles to the financial system and confirming that supporting documentation is available for all reported data.

**Procedure:**

The following steps should be followed by a Principal Investigator (PI) or designee to meet sponsor programmatic requirements for reports:

1. Tracks sponsor-required reporting deadlines and requirements
2. Collects data and prepares report
3. Send draft report to Grants Coordinator (GC) via [grants@elmhurst.edu](mailto:grants@elmhurst.edu) if financial data is needed
4. Send the completed report to the sponsor and the copy the GC at [grants@elmhurst.edu](mailto:grants@elmhurst.edu) unless it needs to be submitted by the Authorized Organization Representative (AOR)
5. Send completed report to the GC at [grants@elmhurst.edu](mailto:grants@elmhurst.edu) AOR if it needs to be submitted by the AOR
6. Retain, on a network or device owned and managed by the University, supporting documentation for all data included in grant reports (e.g. financial data, programmatic data, participation figures, statistics, etc.) must be retained in digital format (PDF, Excel, etc.) and in accordance with the University's document retention policy and specific award requirements.

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### C.11 Quarterly Review of Federal Awards

**Policy:**

Principal Investigators (PIs) are responsible for managing their federal awards both from a

performance and transactional perspective. The Grants Coordinator is responsible for maintaining a strong control environment and institutional compliance and for assisting PIs or designee with award administration including requesting prior approvals and assisting with reporting. PIs or designee should meet with the Grants Coordinator regularly throughout the duration of a federal award to accomplish these mutual responsibilities.

**Procedure:**

PIs will meet with the Grants Coordinator no less frequently than quarterly to review the federal awards under their purview. The meeting schedule will be determined when the award is received and documented during the new award review meeting.

These quarterly review meetings shall address the following items:

- Personnel charges consistent with work performed and committed effort
- Budget vs actuals within sponsor guidelines
- Cost sharing commitments (as applicable)
- Documentation for expenses charged to the award
- Cost basis for procurement below the micro-purchase threshold
- Reporting requirements
- Other items as applicable; e.g. changes in committed effort, revisions to award budget, changes in scope, etc.

The Grants Coordinator will document resulting action items, including responsible staff and expected completion date, on the **Quarterly Award Review Checklist**. The PI will review the Checklist and sign the document to document the meeting and acknowledge the required action items. The signed checklist will be returned to the Grants Coordinator and maintained in the award's file.

In the event that the period of performance ends mid-quarter this meeting should be rescheduled to an earlier date. Further, if the sponsor requires more frequent reporting or invoicing, additional meetings may be required.

The Grants Coordinator will coordinate the reporting and invoicing of approved expenses (including federal letter of credit draws) of approved expenses with the Accounting Office. Per [C.10 Sponsor Required Reports and Invoices](#), the Office of Business and Finance are responsible for reporting financial data on sponsored awards.

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### C.12 Inclusion of Indirect Costs in Grant Proposals

It is the University's policy that indirect costs be included in all grant proposals to the maximum extent permissible by the sponsoring agency or organization. Email the Grants Coordinator at [grants@elmhurst.edu](mailto:grants@elmhurst.edu) for the most current federally-negotiated rate agreement.

Absent specific limitations imposed by an agency, request for proposals, solicitation, etc. the

University's federally negotiated indirect rate shall be used to budget indirect costs for proposals submitted to sponsors.

Deviations from this policy are subject to approval by the Office of Business and Finance.

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### C. 13 Procurement

#### Policy:

##### FEDERAL AWARDS

In addition to the requirements set forth in the University's General Procurement Policies the below items apply to expenditures of monies received through federal awards, whether those monies come directly from a federal agency or through an intermediary known as a "pass-through entity." These requirements do not govern expenditure of funds received from other sources (e.g. research foundations, alumni donations, etc.) unless such expenditures are used to meet cost share requirements under a federal award. Individual federal awards may contain further requirements that are unique to those awards and in addition to the requirements of this policy. It is therefore important for Principal Investigators to work closely with the Grants Coordinator to ensure compliance with the requirements of each grant.

- A. All purchases must be both allowable and allocable costs as well as reasonable and necessary for the activities funded by the federal award.
- B. Micro Purchases are purchases where the aggregate dollar amount of which does not exceed \$10,000, as amended from \$3,500 by the National Defense Authorization Act of 2017, which the University has adopted in advance of the act being implemented in the Federal Acquisition Regulations at 48 CFR Subpart 2.1 (Definitions) and Uniform Guidance based on exception, effective June 30, 2018, as described in the memorandum from the Office of Management and Budget issued on the same date, (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). These purchases may be awarded without soliciting competitive quotations if the price is considered reasonable. Annually the Office of Business and Finance reviews and approves the preferred vendors for product and services price reasonableness.
- C. Small purchases are purchases where the aggregate dollar amount is more than the micro purchase, but less than \$25,000. For these purchases, quotations must be obtained from at least three (3) competing sources. Documentation must be maintained containing the quotations and rationale for selection of vendor. If obtaining three (3) quotes is not reasonable, a sole-source justification form must be completed by the Office of Business and Finance and approved by the VP of Business Affairs/CFO.
- D. For items \$25,000 and over, follow the University policy on large purchases.

**Procedure:**

1. The following procedures are to be followed for any federal award, federal pass-through award, or private award used to meet a federal cost share requirement or obligation.)
2. Upon submission of proposal to sponsoring agency, the Grants Coordinator sends a copy of the proposal budget and budget narrative to the Office of Business and Finance.
3. Upon receiving notice of award, the Grants Coordinator schedules a meeting with Procurement, the Principal Investigator, and applicable support staff (e.g. department requisitioner, budget manager, program manager) as needed. Alternatively, if purchasing needs are relatively simple and straightforward, the Principal Investigator may send a list of purchasing requirements to Procurement in lieu of a meeting.
4. All planned procurement activities are discussed in detail and a Procurement Plan is developed by Procurement. The plan will detail methodology for making purchasing decisions, including the minimum required documentation for each procurement transaction.
5. Principal Investigator and staff use Procurement Plan document to guide all purchasing transactions. Any deviation from the plan must be discussed and agreed to with Procurement in advance of any transaction.
6. the Grants Coordinator will review purchasing activities against the agreed upon plan during quarterly review meetings with the Principal Investigator. Any unauthorized deviations from the plan will be reported to Procurement. Purchases that were unauthorized may require reclass from the grant project to the department's NONE (operating) budget.

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### C. 14 Travel & Business Expense

**Policy:**

The University will reimburse business expenses. Employees should always exercise sound business judgment when incurring expenses on behalf of the University. Expenses incurred that are supported by federal, state, or local funds or grants must meet the standards of allowability, allocability and reasonableness. These expenses must also be specifically necessary and applicable to the activities supported by the award. Travel expenses under a federal award must be pre-approved by the sponsoring agency. Approval should be as specific as possible with regards to destination and the individuals attending.

Use of a University procurement card for travel and business expenses is preferred, but the University recognizes that it's not always feasible. In those cases, employees may use their own funds and submit these expenses for reimbursement. Employee reimbursements must be submitted within two months of purchase. Expense submitted for reimbursement exceeding the two-month threshold will not be reimbursed, without the approval of the functional Vice President. Receipts are required for all employee reimbursements regardless of amount. Relocation expenses may not be submitted for employee reimbursement. These types of expenses must go through the Human Resource Department. Employees must submit business expenses on the employee travel and expense reimbursement form for approval by their managers.

**Conferences, Professional Memberships, Subscriptions:** Conferences, professional memberships

and subscriptions must be relevant to the position held at the University. In general, professional memberships and subscriptions are limited to two per employee.

**Executive, Social and Private Club Memberships:** Executive, social and private club memberships (including airline VIP lounges) must have prior approval from the Office of the President. These types of expenses are not permitted under for Federal, State, and local awards.

**Lodging:** Employees are prohibited from charging other employees hotel room fees on their procurement card. A hotel charge for a student is allowed if traveling for a University related event.

Hotel rates should be inexpensive to moderately priced depending on the location. Conferences usually have a preferred hotel with reduced rates. It is the traveler's responsibility to ensure the discounted rates when available.

Hotel accommodations should be standard rooms, upgrades are not permitted. If circumstances require a suite, prior approval is required from the functional Vice President. Room upgrades cannot be charged to a federal award.

The employee is responsible for confirming that the rate being charged is also the rate listed on the travel itinerary. Any discrepancies should be handled immediately with the hotel.

It is the employee's responsibility to cancel hotel reservations within the hotel cancellation policy time frame and obtain a cancellation number to avoid unnecessary charges. These charges will not be reimbursed unless approved by the functional Vice President.

**Meals and Entertainment:** Business meals are allowable expense in certain scenarios outlined below. All meals should be moderately priced, and alcoholic beverages should be limited to no more than two drinks per person. However, alcohol is specifically unallowable under any Federal, State, or local award. For all business meals, it is a requirement that the most senior University employee pay for the meal.

- Meals incurred while traveling on University business are reimbursable.
- Meals are allowed when there is a legitimate University business purpose involving guest or associates who are not University employees.
- Employee only meals are allowed when there is a legitimate business purpose stated for the meal that details the subject of the meeting and a stated reason for meeting during breakfast, lunch, or dinner hour.

Entertainment expenses are unallowable under Federal, State, and local awards.

Meal and entertainment tip amounts are only reimbursed up to 20% of the bill, before sales tax and applicable discounts.

**Catering:** Catering expenses are defined as food and beverages purchased for onsite meetings and events and are allowed for:



- Business meetings, receptions and other events with guests or associates who are not employees
- Interviews for final candidates for faculty and director level and above staff positions
- Students and student recruitment events
- Free public events at which refreshments are customary, such as art gallery openings. (Note: Food and beverages at paid public events must be fully covered in the price of admission.)
- University and school events recognizing the contributions of faculty and staff members.
- One meal for all-day employee meetings, such as employee retreats.
- Meals for employees who are required by their supervisor to work beyond their normal work schedule and through a mealtime. This expense must be pre-approved by the supervisor, and should be infrequent in nature.
- University-sponsored workshops and seminars

Catering delivery tips will be reimbursed up to 10% of the bill, before sales tax and applicable discounts.

**Personal Automobile:** Employees will be reimbursed at the current IRS standard mileage rate for miles incurred while traveling for business. However, reimbursement is limited to mileage incurred in excess of the employee's normal commute. Gas receipts will not be reimbursed for use of personal vehicle.

The University will also reimburse all actual automobile tolls and parking fees. The employee assumes the responsibility for all parking and traffic fines.

**Personal Expenses:** Personal expenses are unallowable under Federal, State, and local awards.

Extending business trips for personal reasons is permitted. However, any personal expenses incurred will not be reimbursed. This also includes any additional travel expense (such as airfare fees) that may have resulted in the extension of the trip. If this is the case, the employee will reimburse the University for the additional cost prior to the trip.

Any personal expenses incurred for the employee, spouse, domestic partner, significant other or a personal acquaintance during University business will not be reimbursed.

**Public Transportation:** Airfare, train and bus travel expenses are reimbursable for business trips and must be booked through the department travel arranger.

Air travel will be via the most direct, economical and functional means. Economy class tickets are to be used for all domestic flights, business class and first class are not permitted. All international travel must have written approval of the Office of the President before booking the flight. Economy class is the preferred method of travel for international flights; however, discounted (non-refundable) business is permitted with the approval of the functional Vice President. Baggage fees will be reimbursed with receipt. Airline upgrades will not be reimbursed. Under Federal, State and local awards, lost baggage fees will not be reimbursed.

Airline reservation change fees will not be reimbursed unless

- A savings from hotel charges, meals and/or other expenses exceeds the reservation change fee, or
- The change fee is approved by the functional Vice President.

Per the Fly America Act, airfare purchased with or reimbursed by federal funds must be on a U.S. carrier. Any exception to this must be approved by the Grant and Contract Manager.

**Rental Vehicle:** Rentals are available for employees while on business travel. Gasoline for the rental will be reimbursed, but mileage will not. However, if additional fee is charged by the rental car company for exceeding a mileage limitations, that fee may be reimbursed. Whenever possible, the employee must refill the gasoline prior to returning a rental car for drop off.

The University will also reimburse all actual automobile tolls and parking fees. The employee assumes the responsibility for all parking and traffic fines. The employee renting cars and/or driving cars on University business must have a valid driver's license.

#### **Documentation and Approvals**

All expenses must have sufficient documentation that provides clarity so that anyone reviewing that transaction is able to determine it is a legitimate business expense. Documentation must include:

- Itemized receipts.
- Name of vendor/service provider
- Names of all individuals in attendance (if applicable)
- Item or service acquired
- Total cost
- If prior approval is required per this policy, the employee is responsible for having obtained that approval in writing and submit that approval along with the receipts.

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