



**Research &
Economic Development**

**Research Administrators Certificate Course
Post Award Administration
MRAM**



January 2022

Allowable / Unallowable Costs

Determining if an expense is allowable or not is the first step in assigning a cost to an award.

What are allowable / unallowable costs:

**2 CFR 200.420 Considerations for selected items of cost defines various allowable or unallowable costs that may be charged either directly or indirectly to the federal government by educational institutions.
§200.420 - §200.475**

Allowable / Unallowable Costs

To determine allowable costs (expenditures) must be

Reasonable

- Necessary, within the sponsor & University guidelines.**
- Use the prudent person test.**

Allocable

- Direct benefit, consistent treatment (direct or indirect throughout the University)**

Cost Approvals

What to review prior to approving costs?

- **Sponsor & University guidelines**
- **Budget**
- **Dates**
- **Internal / External Approvals**
- **Documentation**
- **Appropriateness of expense on project**
- **Other**
 - **Traveler has effort on project**
 - **US Air Carrier is used**

Cost Approvals

Types of Documents Approved by Post Award:

Travel

All Travel Authorizations (TA)

All Expense Reports greater than \$10,000

Requisitions

All requisitions greater than \$10,000

Extra State Compensation (ESC) Form

If not completed at PreAward

Direct Charge Exemption Form

If not completed at PreAward

Travel

Employees traveling should have effort on the project for the period of the travel

If travel pertains to multiple projects, the costs should be distributed accordingly.

Sponsors often require prior approval

Federal sponsors also require traveler to use US air carrier for international travel (Fly America Act)

International travel – special rules in effect due to COVID19

<https://repopulation.fiu.edu/university-operations/index.html>

Requisitions over \$10,000

There should be at least 2 quotes for expenditures over \$10,000 to a contractor, consultant or vendor.

If two quotes are not obtained a sponsored research purchase exemption request is required in accordance with Uniform Guidance §200.317-326

Exemptions:

- **Contractor, Consultant or vendor is specifically approved by the sponsor**
- **Competition determined inadequate after solicitation for a number of vendors**
- **Emergency purchase**

Extra State Compensation

If ESC is NOT approved during proposal time:

- **PI completes the Extra State Compensation Justification Form with a budget modification if necessary**
- **If appropriate Post Award will contact the sponsor to get approval (all requirements for ESC must be met)**
 - **The sponsor specifically approves the ESC in writing or is set forth specifically in the award document.**
 - **The work for which the ESC is sought is across departmental lines (involves a field different from the FIU employee's) or involves a separate or remote location.**
 - **The work is performed in addition to the FIU employee's regular departmental load (because research is part of faculty's normal departmental load, ESC for faculty will generally NOT be permitted).**
 - **The payment is in accordance with FIU policy.**
 - **The work performed benefits the award**

Direct Charge Exemption

Used to allow direct charging of administrative costs such as:

- **Administrative & clerical salaries §200.413(c)**
- **Office supplies**
- **Postage**
- **Local or cellular telephone**
- **Memberships & subscriptions**
- **Data processing & computer supplies**
- **General purpose software**

Example of when these charges are allowed:

- **Integral to the project**
- **Specifically identified**
- **Cost is included in the budget or prior approval has been obtained**

Cost Transfers

Any cost that is first charged to one award / project and later moved to another award / project

Uniform Guidance §200.405(c) Definition:

“any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.”

Cost Transfers

Allowable Cost Transfers:

- To correct clerical or accounting errors, such as transposition of numbers
- To amend charges posted to wrong Project ID's by service center providers
- To resolve any misunderstanding of instructions by the PI

Unallowable Cost Transfers:

- To meet deficiencies caused by overruns or other fund considerations
- To avoid restrictions imposed by law or by the sponsored agreement
- For other reasons of convenience
- To spend balances at or near expiration

Budget Modifications

Reclassification of one budget item to another

When are they allowed?

Conforms to sponsor's guidelines & award document AND FIU's accounting practices

When are they NOT allowed?

- **Relieve financial pressure on a department's unrestricted budget or on other sponsored projects**
- **To assign costs that could not otherwise be assigned to the sponsored project**
- **At the end of the project to use up remaining funds OR**
- **To purchase equipment or other items (normally not allowed without sponsor written approval)**

Justification is very important and must detail why the transfer is needed.

Cost Share / Match

A portion of award / project costs not paid by the sponsor

Types of Cost Share / Match

Committed- costs or effort which are quantified in the proposal narrative, budget, budget justification or award document

- **Mandatory committed- required by sponsor as a condition of obtaining an award**
- **Voluntary committed- not required by the sponsor, resources offered by the university in the proposal**

Uncommitted- not included in proposal & does not need to be reported or documented

Participant Payment

Participant costs:

NSF

- Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia or training projects.
- These costs must be accounted for separately.
- No indirect costs may be charged against participant support costs.

NIH

- These are cash payments to individuals for participating in a study.
- Your proposal should have included individuals who participate in the study would be compensated.

Fellowship/Scholarship/Tuition/Stipend

In order to provide students with current information regarding career development skills, trends and issues the University promotes the participation of students in sponsored projects to the fullest extent possible.

Where permitted by the project sponsor and when appropriate to the project, the PI is encouraged to identify undergraduate and graduate students who may be included in the PI's proposal.

Fellowship/Scholarship/Tuition/Stipend

Stipend vs. Salary

- **If student's only obligation on a sponsored project is the pursuit of his/her academic endeavors the student's compensation is deemed a "stipend".**
 - **Processed through Grants & External Award Page and paid through Financial Aid.**
- **If the student is required to perform specific services on the sponsored project in order to receive compensation, the student's payment are wages.**
 - **Processed through HR / Payroll.**

Fellowship/Scholarship/Tuition/Stipend

Funds awarded / budgeted to support tuition costs should not be utilized for other categories of expense.

This is to maximize external support for tuition costs incurred by the University.

Requests to rebudget from these categories to other expense categories will require the approval of the AVP for Research.

Discussion and Examples

Unallowed Costs

Requisitions over \$10,000

Extra State Compensation

Direct Charge Exemption

Cost Transfers

Budget Modification

Unallowed Costs - Example

NSF audit – completed May 2021

Finding of unallowable cost \$2,681

Unallowable Promotional Items

FIU charged one NSF award for \$2,681 in costs incurred to purchase unallowable promotional figurines, as follows:

- In April 2020, FIU charged NSF Award No. ##### for \$2,681 in costs incurred to purchase figurines as gifts for participants in the program, which is a part of the award's program.
- FIU agreed to reimburse NSF for these expenses.

According to 2 CFR § 200.421(e)(3), costs related to promotional items and memorabilia, including models, gifts, and souvenirs, are unallowable.

Requisitions over \$10,000

Sponsored Research Purchase Exemption Request

This form is not to be used for sole source exemptions. Please use Sole Source Request located at <http://finance.fiu.edu/controller/Foms.html>

Name of Contractor/Consultant/Vendor:

Project ID:

Requisition No.

In accordance with Uniform Guidance Procurement Standards, 2 CFR 200.317-326, a sponsored research exemption is requested for one of the following reasons (please mark one):

- Noncompetitive purchase specifically approved by sponsor (please attach written approval from sponsor; ie email/proposal/budget justification)
- Competition determined inadequate after solicitation of a number of vendors (please attach documentation of solicitation efforts)
- Emergency Purchase (please complete the questions below)

1. When did you begin working on obtaining the information for this exemption? (mm/dd/yyyy format)
2. If this exemption is needed to meet a deadline, please explain the reason for the time constraints and why this deadline is required.

Extra State Compensation



**Florida International University
Office of Research and Economic Development**

Extra State Compensation Approval Request Form

This form is required at proposal stage for each individual for which extra state compensation is being requested on the proposal.

FIU Employee Name:

Project Name:

Primary Department Name:

Sponsor:

General Requirements:

In accordance with the *Extra State Compensation from Sponsored Projects for FIU Personnel* policy and procedures (found at <http://policies.fiu.edu/files/366.pdf>) all proposals requesting extra state compensation must include this form for each individual for which extra state compensation is being requested. The request to propose extra state compensation will be

Direct Charge Exemption



Office of Research & Economic Development

Direct Charge Exemption Form -- Expenses

Used to Support Direct Charging Costs that are Normally Treated as Facilities & Administrative Costs (F&A) also known as Indirect under Federally Funded Awards

To comply with the Federal government's Uniform Guidance, codified at 2 CFR 200 that establishes the principle by which certain costs should be treated, Florida International University has a policy for charging costs to federally sponsored awards. (A copy of the University's policy 2320.005 'Charging General Administrative and Clerical Costs on Federally sponsored Projects' is posted on the University's Compliance web site at <https://policies.fiu.edu/search/?division=26>)

Principal Investigators who believe their project warrants an exemption allowing the direct charging of costs that are normally treated as Facilities & Administrative costs (F&A) also known as indirect must complete and submit this form to the Office of Research & Economic Development (ORED) at proposal stage for a final determination of allowability of costs prior to budgeting and/or incurring the expense.

PI Name:

Project/AWD ID#

Federal Sponsor Name:

Submission Type:

New Direct Charge Exemption Request

Amendment to Previous Request

I. Request to Charge OTHER Non-Salary Costs

Cost items must clearly demonstrate they are essential, necessary and allocable for the performance of the project activity being federally funded.

Exemption to the University's policy to direct charge non-salary costs such as; postage, local telephone costs, office supplies, data processing/computer supplies, software*, memberships, subscriptions and hazardous waste disposal may be allowed only if all of the following conditions are met:

- | | |
|--|--|
| •The project has a special, non-routine, need for the item or service | YES
<input type="checkbox"/> |
| •Cost can be specifically identified & benefits a particular project | <input type="checkbox"/> |
| •Expense is explicitly in the proposal budget by line-item | <input type="checkbox"/> |
| •Sponsor has approved the non personnel administrative cost in proposal or otherwise | <input type="checkbox"/> |

* For further software clarification, review FAQ #21 in the Office of Research's website: <http://research.fiu.edu/award-management/faqs/>

Cost Transfers



FLORIDA
INTERNATIONAL
UNIVERSITY

Office of Research and Economic Development
MARC 430, Miami, FL 33199
Cost Transfer - Transfer of Non Payroll Charges

Date: 1/13/2022 6:07

Important!

Payroll Transfers should not be listed on this Form

Attach a copy of Trandata or CTL showing the transaction to be transferred

Cost Overruns cannot be cleared by shifting costs from award "A" to award "B"

Use "Transfer of Procurement Charges" form for Pro Card Transfers

Choose One:

Accounts Payable

Travel Department

	DEPT / PROJECT WHERE CHARGE APPEARS	Voucher Number	Journal Number	Expense Report ID Number	DATE OF CHARGE	ACCOUNT CODE	AMOUNT	DEPT / PROJECT TO BE CHARGED	ACCOUNT CODE	
1										
2										
3										
4										
5										
6										
7										
8										
9										
#										
	TOTAL:							0.00		

REASON FOR THE TRANSFER OF CHARGES (Attach extra sheets if necessary):

How and why did the error occur?

If over 90 days, why was the transfer not requested earlier?

What steps will be taken to prevent these errors from reoccurring?

I hereby attest that these transfers are accurate and true. I affirm that non of these transfers are in violation of the Uniform Guidance 2 CFR200

Prepared by: (Print and Initial) _____ Phone Ext. _____

_____ Date

Signature of ORED Post Award Approval _____ Date

Post Award Contact Information (Name & Phone Extension)

Signature of PI or Authorized Official Accepting Charge _____

_____ Date

Donna Kiley, Director Post-Award
Approval required if over 90 days

Budget Modification



Budget Modification Request

Project ID:	
Principal Investigator:	
Organizational Department:	
Administrator:	
Prepared by:	

Note: All budget transfer requests must directly relate to the project's scope of work provided the rebudgeting conforms to the sponsoring agency's guidelines and is consistent with the FIU's accounting practices.

Budget Category Decrease		Total Budget Amount:	Budget Category Increase		Total Budget Amount:
	▼	\$ -		▼	\$ -
	▼	\$ -		▼	\$ -
	▼	\$ -		▼	\$ -
	▼	\$ -		▼	\$ -
	▼	\$ -		▼	\$ -
Total:		\$ -	Total:		\$ -

0

Please answer the following questions as they pertain to the above mentioned budget transfer.

1. State a programmatic justification for the action being requested: How is this action relevant to completing the scope of work of the project? (If salary of key personnel is being adjusted, explain the % of effort change by this action)

2. State the need for the expenditure in the account code category being increased: Why was the need for this expenditure not part of the original proposal?

Questions