Costshare & Documentation

New Faculty Orientation
Janet Brodie
Dec 10th, 2014
Cost Sharing or Matching

- Cost share or matching cannot come from the Federal government
  - The portion of project costs not borne by the federal government
  - Not funded by the government under another award
- Must be verifiable from the recipient records (documentation)
- Are not included as contributions for any other federal award
- Are necessary and reasonable to accomplish the awards objectives
- Are allowable under the cost principles, and included in the approved budget

**NOTE:** Recipient cost sharing should be captured/accumulated in the accounting system
Costshare Allowable vs. Unallowable

- If it is unallowable costs stated in the RFP, it would be unallowable costs for costshare portion.
- Never use Federal funds to match Federal awards. This also applies to subawards.
- Non-federal grant funds are allowable, however they are strongly discouraged
  - The sponsor providing the cost share must give their approval and they now have a stake in any intellectual property produced.
Costshare Documentation

- Most recommended – Easy to document
  - Salary & Benefits
    - EASE system
  - Tuition
    - University records
Costshare Documentation

- Equipment
  - Existing Equip
    - Expense is recorded based on depreciation value
    - Only count the proportion of the use in the project as costshare
  - New purchased
    - Must purchase at the beginning of the project
    - Must use 100% on the project
Costshare Documentation

• Industry in-kind or Subaward
  • Document volunteer services and support by same methods as own employees, match ISU standards
    • Salary personnel – actual payroll & benefits
    • Hourly workers – use time card to keep track
  • Document basis for determining value of personal services, material, equipment, buildings and land
  • Subject to auditing
  • Expenses need to match agreement with sponsor
Costshare Documentation

- Least recommended – hard to document
  - Material & Suppliers
    - Use separate account to record/collect expense
    - Do not purchase at the end of the project, products need to be used during the term of project
    - Cannot use unallowable costs to meet the match unless RFP states differently
Annual Cost Share Documentation

- SPA does an annual review of awards with cost share.
- If the cost share is met through salary and tuition they will be able to verify it.
- Cost share met through supplies will need to have documentation supplied to them if not already provided.
Allowable/Unallowable Costs

New Faculty Orientation
Lisa Shen
Dec 10th, 2014
4 Basic Cost Considerations Under Federal Regulations

Factors affecting the allowability of costs -

- Reasonable
- Allowable
- Allocable
- Consistent
The Hierarchy of Regulations

How to Apply the Policies

- University and State Financial Policies
- Award Terms
- Program Announcement
- Sponsor Specific Terms & Conditions
- START with the Award Terms and Conditions
- Public Laws

Source: University of Washington, Grant and Contract Accounting
General Rules for ISU Funds

- **Unallowable Expenditures**
  - Alcoholic beverages
  - Flowers or gifts
  - Coffee, coffee pots, refrigerators, microwave ovens for office employees use only (unless 206 or 497)
  - Personal responsibility (Parking fines, library fines, late fees and finance charges)
Documentation

- Who – purchased it
- What – was purchased
- When – it was purchased
- Why – it was purchased
- Where – it was purchased

- Insisting on complete documentation makes determining allowability and appropriateness much easier
Why does it matter?

- Legal Responsibility
- Increased audit scrutiny
- Protect PIs and the University from liabilities
Example

- A PI wants to charge his USDA grant for expenses in preparing a proposal for an NIH grant.
Example

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- Answer: Unallowable
  - Irrelevant
Example

- The week before a federal grant expires, PI wants to purchase $2,000 in lab supplies to use up the unspent balance.
Example

- The week before a federal grant expires, PI wants to purchase $2,000 in lab supplies to use up the unspent balance.

- Answer: Unallowable
  - Auditors usually check very carefully on expenses occurred during the last period of grant, costs have to be relevant to the purpose of the grant/project.
Example

- Meals expenses for meetings and conferences are allowable on all NIH grants.
Example

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- Answer: Unallowable
  - The cost of meals served at a meeting or conference is no longer allowable on NIH conference grants (R13s & U13s)
A graduate student charged chemistry store supplies to a wrong federal grant account resulting in a deficit balance. The graduate student is very sorry about the mistake and asks you to transfer the supplies to the correct federal account.
Example

- A graduate student charged chemistry store supplies to a wrong federal grant account resulting in a deficit balance. The graduate student is very sorry about the mistake and asks you to transfer the supplies to the correct federal account.

- Answer: Unallowable
  - Federal regulation: if a federal grant has a deficit balance, the overspent part cannot be transferred to another federal grant. The expenditure needs to be transferred to unrestricted funds.
Example

- During February, a PI charges air tickets to a professional conference in June to his federal grant. The federal grant terminates on April 30 but the PI is presenting the results of his research funded by the federal grant.
Example

- During February, a PI charges air tickets to a professional conference in June to his federal grant. The federal grant terminates on April 30 but the PI is presenting the results of his research funded by the federal grant.

- **Answer: Unallowable**
  - Because it does not meet the grant period unless grant is extended. If the travel is within the grant period, PI will have 90 days to post to the account.
Example

A PI has 5 graduate students working on a complex project funded by a federal grant. The only time everyone can meet for the weekly project meeting is at lunch. Since the meeting is over lunch, the PI provides pizza and drinks.
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Answer: Unallowable

- Recurring business meetings, such as staff or lab meetings, should not be broadly considered as meetings for the primary purpose of disseminating technical information and to charge the costs of meals or refreshments on a federal grant.
Example

- The PI on an NSF award discovers Company XYZ has a research widget that could substantially improve his research. He invites the company owner and top researchers to a meeting to discuss collaborating together. Since the purpose of the meeting is to discuss the NSF project, he charges the expenses on the grant.
Example

- The PI on an NSF award discovers Company XYZ has a research widget that could substantially improve his research. He invites the company owner and top researchers to a meeting to discuss collaborating together. Since the purpose of the meeting is to discuss the NSF project, he charges the expenses on the grant.

- Answer: unallowable
  - Meeting and conference costs are only allowable if such costs are specifically and clearly identified in the approved scope of work and budget.
Example

- Laptop/iPad purchase using 490 PI incentive account, when leaving the ISU, PI takes the laptop/i-Pad with him as personal item.
Example

• Laptop/i-Pad purchase using 490 PI incentive account, when leaving the ISU, PI takes the laptop/i-Pad with him as personal item.

• Answer: Unallowable
  ◦ Goods or equipment purchased from 490 account are the property of the university and are not personal property, the property should remains with ISU.
Example

- Couple faculty members on campus want to go to Old Chicago for lunch to discuss a joint project they are working on.
Example

- Couple faculty members on campus want to go to Old Chicago for lunch to discuss a joint project they are working on.

- Answer: Unallowable
  - All faculty members can meet anywhere on campus, no reason to meet in restaurant for project discussion.
How to determine if meals are allowed

The allowability of meals charges on a sponsored program is determined by:

1. The award’s terms and conditions
2. OMB Circular A-21
3. ISU costing policy

Please consider the following:

- Is the cost allowable?
  - Is it a necessary and integral part of a conference or meeting?
  - Was the expense clearly identified in the budget and justification?
  - Is it allowable per the sponsor or award’s specific terms and conditions?

- Is the cost reasonable?
  - Is the cost per person of the meal close to meal per diem rates?
  - Does the cost or location of the meal meet the Des Moines Register test?
Documentation of costs

Documentation which should be kept to support allowable meal expenses includes:

- Date and location of the meal
- List of all attendees including, title, company/institution, and relationship to the project
- Meeting agenda and a description of the meeting purpose
- Identification of the scope of work in the proposal narrative and/or budget with which the meeting is associated
EASE Form
Rebudget
eData Report

New Faculty Orientation
Michele Rogers
Dec 10th, 2014
EASE Forms

- EASE stands for Employee Activity Summary of Effort. EASE is a University form completed by most ISU employees twice a year to capture the types of activities or functions in which they are involved. Functions are categorized as Instruction, Research and Scholarship, Outreach, Administration, and Service/Other. There are four major reasons why Iowa State University has a process for gathering this information:
  - Completion of the form provides confirmation of direct personnel effort on federal and state sponsored programs. This confirmation is mandated by federal regulation.
  - Completion of the form documents cost share on sponsored programs. Mandatory cost share confirmation is also required by federal regulation.
  - The State of Iowa mandates the reporting of faculty and staff effort.
  - Information from the EASE forms is used by the University to make decisions related to research space needs.
# Iowa State University Employee Activity Summary of Effort (EASE)

## January 1 thru June 30, 2010

**Due 15 days from above date.**

**Start Here:**
- Put the percent of your effort devoted to each function in the large shaded boxes below. Examples of the functions are found on the back of this form.
- The sum of these boxes must be 100%.
- Evaluate all effort required to fulfill university obligations.
- **The large shaded boxes comprise the summary section.** All lower sections detail this summary.
- Put the percentage of effort from each of the five sources in the sections below the summary. \( A + B_1 + B_2 + C + D \) must add to the number in the large box.

### Instruction

<table>
<thead>
<tr>
<th>Category</th>
<th>Effort Description</th>
<th>Effort %</th>
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<tbody>
<tr>
<td>A</td>
<td>Federal or State</td>
<td>% of salary paid % of actual effort</td>
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<tr>
<td></td>
<td>paid sponsored</td>
<td>effort</td>
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<tr>
<td></td>
<td>effort</td>
<td></td>
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<tr>
<td>NONE</td>
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### Research & Scholarship

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<tbody>
<tr>
<td>B1</td>
<td>Mandatory Cost</td>
<td>% of salary pledged % of actual effort</td>
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<tr>
<td></td>
<td>Sharing</td>
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<td></td>
<td>420-42-03</td>
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### Outreach

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<tr>
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<tbody>
<tr>
<td>C</td>
<td>Departmental</td>
<td>% of actual effort</td>
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<tr>
<td></td>
<td>research</td>
<td>effort</td>
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<td></td>
<td>620-3012</td>
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### Administration

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</thead>
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<tr>
<td>D</td>
<td>Experiment Station</td>
<td>% of actual effort</td>
</tr>
<tr>
<td></td>
<td>funded research</td>
<td>effort</td>
</tr>
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<td></td>
<td></td>
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</table>

### Service & Other

<table>
<thead>
<tr>
<th>Category</th>
<th>Effort Description</th>
<th>Effort %</th>
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<tbody>
<tr>
<td></td>
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</tbody>
</table>

I certify that the effort data provided represents a reasonable assessment of my activities during the period covered by this report.

Signature of employee: ____________________ Date: ____________

I certify that the effort data provided by the employee represents a reasonable assessment of his/her activities during the period covered by this report.

Signature of supervisor or administrator: ____________________ Date: ____________

Forward the completed form to your departmental EASE coordinator.
# Rebudget

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<td>Awards subject to Federal Terms &amp; Conditions</td>
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<tr>
<td>(except when terms may require it)</td>
<td></td>
<td></td>
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<tr>
<td>Fixed price agreements</td>
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<tr>
<td>Federal Contracts (except when terms may require it)</td>
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<td>Industry agreements (except when terms may require it)</td>
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<tr>
<td>Scope of work changes budget</td>
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<tr>
<td>Revisions to budget exceed 10% of the total budget</td>
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<tr>
<td>$25K re-budgeting requirement for unbudgeted equipment</td>
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Path for Finding Account Management Tools in e-Data

- **Account Manager-PI Faculty Report**
  - Sponsored Programs Financial Reports
    - Custom Reports
      - University Wide
        - KFS-Financial Report
          - Account Manager – PI Faculty Report
Path for Finding Account Management Tools in e-Data

- **Project Spending End Date Report**
  - e-Data Reporting Portal
    - Public Folders
      - Custom Reports
        - University Wide
          - KFS-Financial Report
            - Project Spending End Data