Post Award Administration

Presented by
ORA, Finance, Biology & International Offices
We are in this together.....
Office of Research Administration

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Contract & Grant Analyst

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Contract & Grant Officer

Contract-based Proposals and Awards

Grant-based Proposals and Awards

Lois Sierra
Contract & Grant Assistant
Award Acceptance

Pre-award
- PI & program officer concur on technical merit
- OSR negotiates award terms and conditions

Award setup
- OSR accepts award, informs PI and division
- Division requests for PTA and submits budget

Award activation
- OSR activates PTA and allocates budgets
- OSR issues award summary to notify campus
Terms and Conditions....

- T&Cs...
- Award Terms and Conditions
- Institutional Policies
- Sponsor Terms & Conditions
- Federal Terms and Conditions
OSR

Post Award Responsibilities

- Negotiating/implementing changes to award terms
- Processing additional funding
- Official point-of-contact for Sponsor
- Interpretation of sponsor policies and federal regulations
## Export Compliance:
### Awards Requiring Greater Care

<table>
<thead>
<tr>
<th>Category</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPL IAs, Awards or Transfers</td>
<td>• May involve transfer of export controlled info, items or services</td>
</tr>
<tr>
<td>DARPA, DOD, NASA, Defense</td>
<td>• May involve development of sensitive technology or items</td>
</tr>
<tr>
<td>Contractors</td>
<td></td>
</tr>
<tr>
<td>All Other Awards</td>
<td>• Deliverables may require export of items or any of the above</td>
</tr>
</tbody>
</table>
Export Compliance:
What you should look for; ask for help!

Red Flags

- JPL Involvement
- International Collaboration involving controlled item
- Export/Temp Import of Deliverables
- Travel Abroad
- Transfer of Export Controlled Data or Items to Campus
Discrepancies in Your Transaction

- Unapproved Freight Forwarder Pick-ups
- Review forms before they go out: Do they look right?
- Costs incurred may be allowable but not the penalty or fines
Export Resources

http://researchadministration.caltech.edu/export

- Website
  - International Shipments Forms
  - Regulations
- Information
  - Caltech Export x2641
  - Visit our Website!
Contact Info

Adilia F. Koch
x4469

Caltech Export
x2641

Jennifer Wong
x2558

Mika Walton
x2882
Project Accounting

• Financial management of sponsored projects
  – submits invoices and financial reports
  – reimburses Caltech and JPL via LOC draws
  – reviews, approves and processes cost transfers
  – monitors special conditions
  – prepares financial closeout
Financial Compliance

- allowability
- allocability
- consistency
- reasonability
- questionable costs (food, foreign travel, honorarium)
- costs for related activities (distribution of costs)
- direct or indirect costs
- cost price analysis, prudent person rule

Referenced documents:
OMB Circular A-21 Cost Principles for Educational Institutions
OMB Circular A-110 Uniform Administrative Requirements for Grants and Other Agreements
Award management: Divisional responsibilities

Presented by
Samantha Westcott
Grant Manager
Department of Biology
Awarded Budget Categories

**Personnel**
- Key personnel effort allocation
- Salary Cap

**Supplies**

**Equipment**
- Threshold $5K
- 2 year shelf life
- Unexpendable
- Fabrication costs
Awarded Budget Categories (cont.)

- Travel
  - Fly America Act for Foreign travel
- Tuition Remission
- Subawards
- Participant support costs
- Other direct costs
Divisional Actions by Budget

PTA Setup and Structure
- Fabrication
- Salary Cap
- Cost Sharing
- Distribution and communication to all parties

Personnel
- Recruitment, hiring and training
- Labor scheduling and distribution in OGM

Purchasing
- Equipment
- Supplies
- Subawards
Divisional Actions during Award

**Travel**
- Support sponsor approval process
- Support Visas and travel papers for foreign trips

**Monthly Reconciliation of Expenditures**
- Initiating necessary transactions
  - Cost Transfers
  - Budget re-alignments
  - Labor adjustments
- Adjusting future spending to prevent deficits
Divisional Actions during Award (cont.)

Projections
- By Project
- By Laboratory

Communication with PI
- Regularly scheduled review for reconciliations
- Calendaring and scheduling
  - Progress report applications
  - Approval of subaward invoices
  - ARRA quarterly reporting on project progress
Hiring internationals

Numbers
- 40% of CIT grad students
- 60% of CIT postdocs

Process
- Information to ISP or ISS
- Preparation of documents
- Visa or change of status application
### Immigration and Government Agencies

**Most commonly used categories for CIT**
- F-1 students
- J-1 researchers
- H-1 temporary workers

**Government Agencies**
- DHS = nonimmigrant status
- DOL = prevailing wage
- DOS = visas
Charging immigration fees to a federal account

Person must be assigned to the award for an ongoing period of time

Normal CIT costs can be charged to the award—includes J, H, & O filing fees – no urgent or special handling

Discuss green card costs with Sponsored Research and International Office (Marjory Gooding—8808). Please see http://cit.hr.caltech.edu/ISS/default.htm
Post Award Administration – Procurement Services’ Role

Presented by:
• Tina Lowenthal, Director of Procurement Services
• Monica Marquez, Associate Director of Purchasing Services
• Muriel Sandoval, P-Card & Travel Services Manager
• Peggy Burke, Travel Administrator
Procurement Organization

- Director, Procurement Services
  - Procurement Administrator/Support Services
    - Functional Systems/Hotline
    - Small Business Program
    - Risk Management
  - Associate Director, Payment Services
    - Accounts Payable
    - Disbursements
    - Specialty Team
  - Associate Director, Purchasing Services
    - Subcontracts Team
    - P-Card Services
    - Purchase Order Team
    - Travel Services
    - Supplier Management
    - Tax Reporting/Immigration
    - Record Retention
Procurement’s Role

- Issue Purchase Orders
- Issue Subawards
  - Subrecipient Monitoring
  - Subaward Closeout
- Administer P-Cards
- Travel Audit
- Payment of Invoices
Procure-to-Pay Cycle

1. **TechMart Purchase Requisition**
2. **Financial Approval**
3. **Req Distributed to Purchasing Services**
4. **PO Distributed to Supplier**
5. **Payment is made against PO/Subaward**
6. **PO/Subaward Distributed to Supplier**
7. **Purchasing Services Generates & Approves PO/Subaward**
# TechMart Purchase Requisition –
Supporting Documentation Requirements*

<table>
<thead>
<tr>
<th>Purchase Orders</th>
<th>Subawards</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Supplier Quotation</td>
<td>1. Statement of Work</td>
</tr>
<tr>
<td>2. Competitive Bids</td>
<td>2. Final Budget</td>
</tr>
<tr>
<td>a. Required for POs &gt;$10K</td>
<td>a. Must match Req. amount</td>
</tr>
<tr>
<td>b. 2-bid minimum requirement</td>
<td>b. Identify Cost Sharing</td>
</tr>
<tr>
<td>3. Non-Competitive Procurement Justification</td>
<td>c. Include Budget Justification</td>
</tr>
<tr>
<td>a. Justify supplier source (not the item)</td>
<td></td>
</tr>
<tr>
<td>b. Market research</td>
<td></td>
</tr>
<tr>
<td>4. Invoices/Receipts</td>
<td></td>
</tr>
</tbody>
</table>

*Requirements may vary based on order type.
Purchasing Services’ PO Responsibilities

1. Verify Non-Competitive Procurement Justification for completeness
2. Verify price and availability with the supplier
3. Prepare a Procurement Justification (> $5K)
   a. Verify Equipment Screening (Federally funded POs)
   b. Perform a Cost/Price Analysis
   c. Determine tax status
4. Obtain supplier certifications
   a. Government funded POs
   b. > $25K Debarment; > $100K Lobbying
5. Complete a Documentation Checklist
6. Issue Purchase Order and submit for approval
Purchasing Services’ Subaward Responsibilities

1. Generate a Technical/Cost Analysis (PI approval required)
2. Obtain Assistance Subrecipient Questionnaire
3. Obtain Supplier Debarment/Lobbying Certifications
4. Obtain Certification of Compliance with OMB Circular A-133 (Higher Ed/Non-Profit only)
5. Complete a Documentation Checklist
6. Generate the subaward document, including appropriate flow-down terms from prime award
Sub-recipient Monitoring

As our responsibility for managing federal funds, Caltech “monitors” subawards.

Subrecipient Monitoring is done throughout the life of the subaward – from proposal to closeout.

It is a shared responsibility between the PI, OSR, ASIC (if necessary), and Procurement Services.

Ensure federal regulations are followed in issuing subawards; assess risk.

Oversight of non-technical, non-financial compliance issues of Subrecipient (e.g. property, small business subcontracting, eligibility to receive federal funds).

Closeout of subawards.
Subaward Closeout

1. Purchasing notifies Subrecipient prior to end of subaward

2. Subrecipient has 60 days after end date to provide final reports (unless shorter time is mandated by prime award)

| Final Technical | Final Report of Inventions | Final Property | Final Invoice | Final Release of Claims |
3. If Subrecipient delays, Purchasing will make two additional attempts to obtain required documentation before “forcefully” closing the subaward, with PI concurrence.

4. Final invoice must be signed by both authorized Division representative (to approve invoice for payment) and PI (to certify that work was completed satisfactorily).
## Payment of Invoices

<table>
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<th>Subawards</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Invoices less than $5K will be caution stamped; automatic payment within 7 days</td>
<td>1. Division must provide written/electronic approval on all Subaward invoices, regardless of dollar amount</td>
</tr>
<tr>
<td>2. Department/Division must provide written/electronic approval on all invoices $5K and greater</td>
<td>2. Final Invoices must be approved by the PI and Division Representative</td>
</tr>
</tbody>
</table>
Procurement Services – Resources

Consider it Done!

Procurement Services Webpage:

http://procurement.caltech.edu/index.shtml

Procurement Services Hotline: Ext. 8900

Purchasing Services:
Monica Marquez ext. 2566
Kevin Speaks ext. 4572

Payment Services:
Michelle Thompson ext. 6778
Guillermo Ramirez ext. 8178
Purchasing Services’ P-Card/Travel Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muriel Sandoval</td>
<td>P-Card/Travel Manager</td>
</tr>
<tr>
<td>Peggy Burke</td>
<td>Travel Administrator</td>
</tr>
<tr>
<td>Holly Cronin</td>
<td>P-Card Administrator</td>
</tr>
<tr>
<td>Michelle Lampe</td>
<td>P-Card Administrator</td>
</tr>
<tr>
<td>Teresa Ponce</td>
<td>Travel Administrator</td>
</tr>
</tbody>
</table>
About P-Card

1. Bank of America MasterCard
2. May substitute invoice attached, payment requests, petty cash and PO’s
3. Caltech pays the monthly bill
4. On-line reconciliation required to assign charges to accounts
5. Restrictions on the purchases
P-Card Restrictions

1. **Animals**: Per Federal and State Law, all animal purchases must be processed through the Office of Laboratory Animal Research (OLAR).

2. **Controlled Substances**

3. **Leases & Long Term Rentals**

4. **Purchases for Personal Use**

5. **Radioactive Materials**

6. **Weapons/Ammunition**

7. **Capital Equipment**: Capital equipment is considered to be any Caltech owned equipment, furniture, or software with a unit cost of $5,000 or more and, with a useful life of 2 years or more OR any government owned equipment regardless of cost.

8. **Single Purchases of Goods Exceeding $3,500**: Any purchase of goods or services exceeding $3,500 should be processed via a TechMart Purchase Requisition.
P-Card Limits

1. Standard basic card limits are $3,500/transaction and $15,000/monthly

2. Card with travel - $5,000/transaction and $20,000/monthly

3. Higher limits are available with approval from authorizer and Associate Director of Purchasing Services

4. Single purchases over $10,000 – require competitive bids or a Non-competitive Procurement Justification
Post Award Administration
Travel’s Role

1. Audit expense reports for compliance with Institute Policy and Federal restrictions
2. Contact preparer or traveler regarding questionable expenses
3. Assist non-PCard holders with purchases and travel arrangements
4. Posting of personal and sponsor refunds to projects
5. Train travelers and expense report preparers on policy and report creation

6. Approve expense reports and upload master file for charging to award and payment creation in Oracle

7. Payment of third party travel related invoices

8. Assist grant managers with questions regarding specific reports and projects
Travel Audit

Why expense reports can get held up...

• Missing traveler, preparer or approvers signature
• Insufficient information regarding trip/business purpose
• Use of non-US air carrier on federally funded foreign trips with missing or incomplete justification
• Missing or incomplete receipt documentation
• PTA is not chargeable
• New traveler not set up with Supplier Management
• Use of Excel/manual report by preparer must be entered in to Rapid Recon manually by Travel Services
• Incorrect or missing remittance address
Travel Role – Monitoring

Why do we “audit” expense reports?

- Responsibility for management of federal funds
- To protect both the Institute and the traveler in event of an audit
- Failure to adhere to the policy could result in loss of the Institute’s IRS Accountable plan, expense reports would then become tax reportable to the traveler
- Making decisions based on reasonableness of situation
- Interpretation of Institute Policy “Gray Areas”
- Volume of reports received
  - 11,142 trips in calendar 2008 with three travel processors
  - 10,253 trips in calendar 2009 with two travel processors
Travel Role – Monitoring

Who is involved?

- It is a shared responsibility between the Preparer, Traveler, Grant Manager and Travel Services

Why does Project Accounting get involved?

- Travel costs charged to federal awards need to be supported with receipts, business purpose, etc.
- Unsupported travel costs are unallowable charges on federal awards
Travel Services – Resources

Travel Services Webpage: http://procurement.caltech.edu/purchasing/travelhome.shtml

Procurement Services Hotline: Davida Perez ext. 8900

Travel Services: Muriel Sandoval ext. 6273
Peggy Burke ext. 3702
Teresa Ponce ext. 2368

PCard Services: Muriel Sandoval ext. 6273
Holly Cronin ext. 2894
Michelle Lampe ext. 6257
Property Overview

Equipment
• Stand alone asset with a useful life of more than one year and a cost of $5,000 or more

Title
• Caltech’s ability to meet compliance requirements depends upon the correct identification of title (via expenditure type) at time of acquisition
  – Equipment - Caltech
  – Equipment - Government
  – Equipment - Other
• If in doubt, ask
Property Overview (cont.)

Fabrication Process
• A fabrication is an item of equipment to be used for research that does not currently exist and cannot be purchased off-the-shelf
• Fabrication PTA requests must be approved by Property and OSR
• Re-budgeting requests from the main award to the fabrication award of 20% or more of the originally approved fabrication amount require both Property and OSR approval

Disposals / Sale / Cannibalization / Trade-in
• Contact Property beforehand (may be restrictions on disposal, use or recording of any sale proceeds, etc)
• Don’t wait until inventory (may result in inaccurate sponsor and / or financial statement reporting)

Questions?
• Ernest Ngalula at x4181 or Tracey Fraser (tracey.fraser@caltech.edu)
Post Award Management-Special Conditions

- Financial management includes special compliance monitoring
  - cost sharing
  - cost transfers
  - payroll distribution confirmation
    - faculty effort monitoring
  - JPL IA and Transfers
  - audits
Cost sharing

Portion of project costs not borne by the sponsor

Types of cost sharing

- Mandatory (required by sponsor)
- Voluntary committed (PI proposed and sponsor awarded)
- Voluntary uncommitted (not mentioned in the proposal or award)

Mandatory and voluntary committed require tracking

- Set up cost sharing companion awards (ZOACS Awards)
- Set up NIH or other sponsor mandated salary cap companion awards

References:
Caltech policy on cost sharing
OMB A-110, Subpart c-Post Award Requirements, .23 Cost Sharing
http://www.whitehouse.gov/omb/circulars/a110/a110.aspx
Cost transfers

Cost corrections

- Needs to occur within the first 90 days
- Late transfers are high audit risks
- Over 90 days require PI and division chair’s approval
- Overdraft transfers between sponsored projects are not allowed unless certain circumstances exist
- Transfers between two sponsored awards require additional justifications

References:
Caltech policy on cost transfers
http://researchadministration.caltech.edu/documents/29-policy_costtransfers.pdf
Payroll Distribution Confirmation

Federal government requires effort reporting or salary certification for all directly charged salaries

Key personnel effort

- effort committed=salaries paid (direct + cost shared)
- reductions greater than 25% require sponsor approval
- variances may create cost sharing situations
Payroll Distribution Confirmation

PA distributes semi-annual reports

- Faculty PDC
  - Faculty certifies work performed commensurate to salary received
- Award Manager PDC
  - PI certifies work performed by all personnel commensurate to salaries received

Discrepancies result in labor cost transfers
JPL IAs and Transfers

Interdivisional Authorization (IA)

- JPL authorizes Caltech to perform work (research or other services)
- JPL is treated as the “sponsor”
- Caltech PI and JPL PI concur on technical merit
- OSR accepts research IA from JPL
- OSR activates division’s PTA request and allocates budget
- Caltech overhead rates are applied
- Caltech bills JPL for costs incurred
JPL IAs and Transfers (cont.)

- Caltech authorizes JPL to perform work (research or other deliverables)
- Caltech division generates PO (via TechMart)
- Caltech Purchasing Services issues Purchase Order (PO)
- Costs are incurred on Caltech PTAs under “JPL Expenditure Exempt” expenditure type
- JPL bills Caltech for costs incurred
JPL IAs and Transfers (cont.)

- Special Consideration
- Equipment
  - JPL equipment threshold is $1,000
  - Purchase or fabricated equipment JPL is considered Government-owned equipment
  - Upon completion of the IA, Caltech will be required to return the equipment to JPL
Audits

**OMB A-133 requirement**

- annual audit for awardees expending > $500K of federal funds
- conducted by third party, SAC

**Defense Contracting Agency Audits**

**Sponsoring agency specific**

**Internal reviews by ASIC**
Award closeout

**Project Accounting**
- sends 90 day notifications to divisions
- closes main award, fabrication, cost sharing
- submits final financial report or invoice

**Division**
- clears open encumbrances
- approves subawardee’s final invoices
- ends labor distributions
- assigns personnel to other projects

**PI**
- Submits final technical report/deliverables
Award closeout (cont.)

Property Management
- submits final property report

OSR
- submits final patent report
- follows up on late technical reports

Sponsor
- accepts final reports/deliverables
- releases final payment

Record Retention
- records are retained according to Caltech policies
Thank you!

For more information check out our website:
http://researchadministration.caltech.edu