

POST-AWARD MANAGEMENT: HOT TOPICS ON

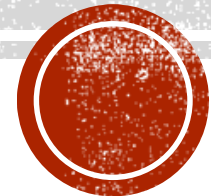


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AGENDA

- ❖ Budget Definition
- ❖ Why is a budget important?
- ❖ Budget Phases
 - ❖ Preparing the budget
 - ❖ Approving the budget
 - ❖ Executing the budget
 - ❖ Evaluating the budget
- ❖ Other Considerations
- ❖ Relevant reminders



BUDGET DEFINITION

What is a Budget?

- ❖ A budget is an estimation of revenue and expenses over a specified future period of time; it is compiled and re-evaluated on a periodic basis. Budgets can be made for a person, a family, a group of people, a business, a government, a country, a multinational organization or just about anything else that makes and spends money.

<https://www.investopedia.com/terms/b/budget.asp#ixzz5TcPJotUY>

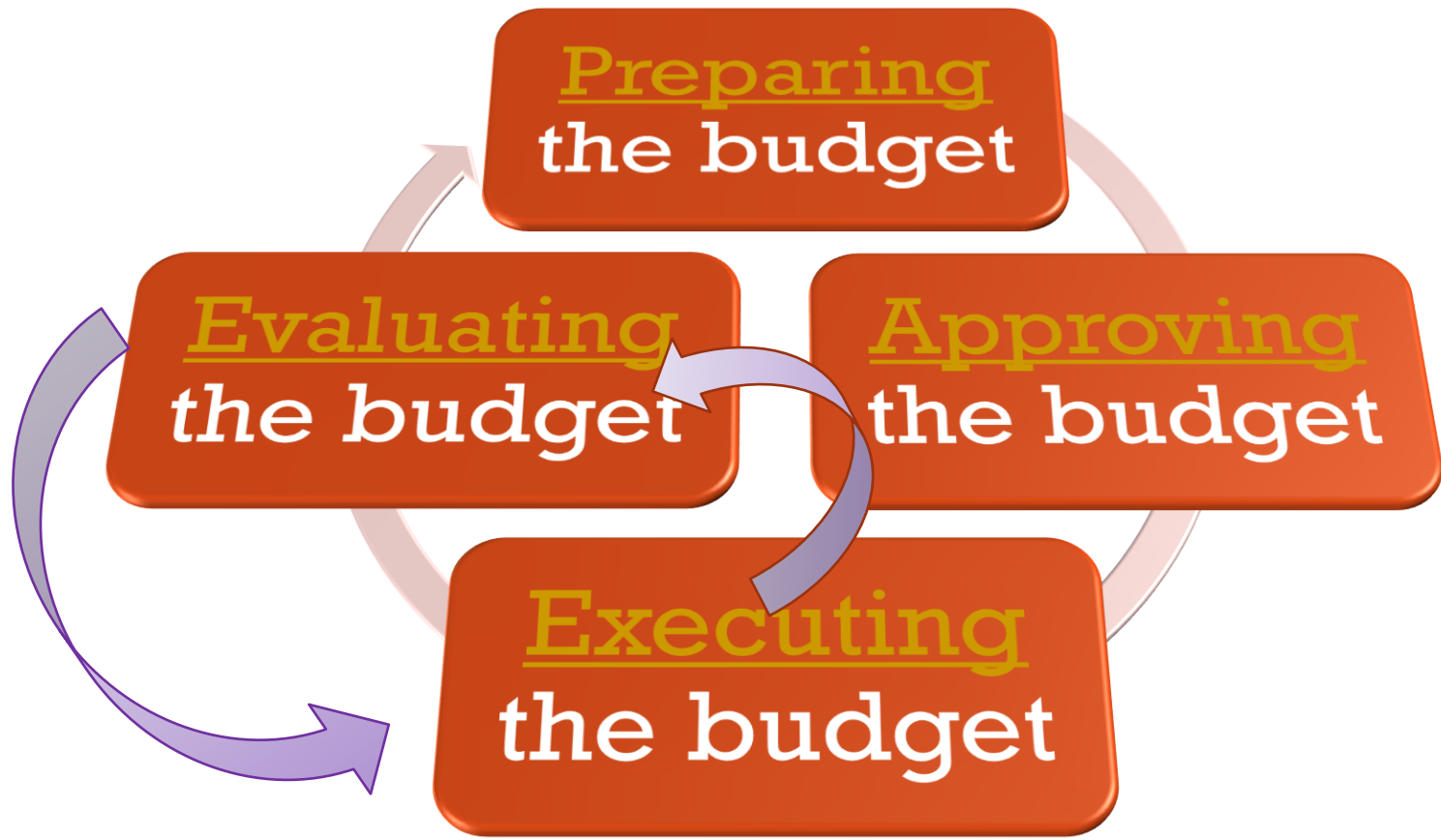


WHY IS A BUDGET IMPORTANT?

- ❖ Your budget will reflect and define the projects priorities.
- ❖ It is the best estimate of the cost of completing the objectives identified in the proposal.
- ❖ The sponsor will use the budget details to determine if the proposal is economically feasible and realistic.
- ❖ The budget provides a means to monitor the project's financial activities over the life of the project.



BUGDET PHASES



PREPARING THE BUDGET: CONSIDERATIONS ON BUDGET PLANNING

- ❖ Always consider the Sponsor's Budgetary Restrictions outlined in the Program Announcement (PA) and the budget guidelines for allowable costs.
- ❖ Type of Sponsor (federal, non-federal, international)
- ❖ Project Period
- ❖ Types of personnel appointments (faculty, staff, postdoc, student)
- ❖ Fringe Benefit Costs
- ❖ Sub Awardees and Collaborators
- ❖ Location of Project (on or off campus)
- ❖ Facilities and Administrative Costs



DIRECT VS. INDIRECT COSTS

- ❖ Direct costs are those that can be specifically and easily identified with a particular project or activity and are allowable under the sponsoring organizations guidelines.
- ❖ Indirect costs are those that are incurred for common or joint objectives, and cannot be easily and specifically identified with a particular sponsored project, an instructional activity, or any institutional activity. These costs are also sometimes called “facilities and administrative costs (F&A)” or “overhead.”



MAYOR BUDGET CATEGORIES

- ❖ Salary and Wages
 - ✓ Personnel
 - ✓ Fringe Benefits
- ❖ Materials and Supplies
- ❖ Equipment (Specifically for the project)
- ❖ Travel (Field Trips/Professional meetings)
- ❖ Consulting (External Professional Services)
- ❖ Publication
- ❖ Sub Award/Subcontracts (Collaborations with another institution/agency)
- ❖ Participant Support Cost (Program Attendee, if allowable)
- ❖ Other Direct Costs
- ❖ Indirect Costs (or Facilities and Administration Costs)



APPROVING THE BUDGET: YOU GET THE AWARD



2 CFR 200

- Subpart D – Post Federal Award Requirements



■ 200.308 – Revision of Budget and Program Plans

- (a) The approved budget for the Federal award summarizes the financial aspects of the project or program as approved during the Federal award process. It may include either the Federal and non-Federal share (see §200.43 Federal share) or only the Federal share, depending upon Federal awarding agency requirements. It must be related to performance for program evaluation purposes whenever appropriate.
- (b) Recipients are required to report deviations from budget or project scope or objective, and request prior approvals from Federal awarding agencies for budget and program plan revisions, in accordance with this section.



SUBPART D – POST FEDERAL AWARD **REQUIREMENTS**

- ❖ **Prior approval requirements for non-construction projects**
 - ❖ **Change of scope – even if there is no budget revision associated**
 - ❖ **Changes in key personnel**
 - ❖ **The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.**
 - ❖ **Transfer of funds from Participant support costs to other categories of expense.**
 - ❖ **Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award. This provision does not apply to the acquisition of supplies, material, equipment or general support services.**
 - ❖ **Changes in the amount of approved cost-sharing or matching provided by the non-Federal entity. No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB. See also §§200.102 Exceptions and 200.407 Prior written approval (prior approval).**



EXECUTING THE BUDGET

- ❖ **Read your notice of award**
 - ❖ Project starting and ending dates
 - ❖ Terms and Conditions of award – look for expanded authorities, which give greater autonomy to grantees.
 - ❖ The amount of money you will receive for the current and future years.
 - ❖ Restrictions on the award



EXECUTING THE BUDGET

❖ Set up an account

- ❖ Assign the budget into the corresponding budget categories to properly account for expenses. The PI, with the assistance of the project's administrative manager, is responsible for approving all expenditures and making sure that adequate funds are available within an appropriate budget prior to the initiation of any expenditure
- ❖ Start spending your money.



EXECUTING THE BUDGET

❖ Pay Attention to How You Spend Your Money

- ❖ Your expenditure rate is important.
- ❖ Make sure that all your expenses are allowed, reasonable, and justified.
- ❖ Do you have more than one grant? Keep expenses separate. You may not mix one grant's money or expenses with another in any way.
- ❖ Monitor your expenses.



A LOOK
at the
BUDGET

EXECUTING THE BUDGET

❖ Rebudgeting

- ❖ During the extent of the project, the PI may determine that budget changes are necessary.
- ❖ Budget reallocations involve moving funds from one budget category to another without increasing the total amount of the award.
- ❖ Expanded authority gives the permission to review rebudgets internally and in many cases eliminates the need for sponsor review.



REBUDGETING

- ❖ Re-budgeting personnel costs

- ❖ Re-budgeting from Trainee Costs - For the purposes of re-budgeting, trainee costs should include stipends, tuition, fees and health insurance. These dollars may not be used for other purposes except under unusual circumstances and then only with the prior written approval of the sponsor. Re-budgeting into or within the stipends and tuition/fees categories is usually allowable without prior approval.

- ❖ Rebudgeting into or out of equipment category
 - ❖ Special care must be taken when rebudgeting amounts into or out of the equipment category, as that category bears no indirect costs in many agreements.

- ❖ Significant Rebudgeting of 25% or more of the total funds assigned (NIH)



EVALUATING THE BUDGET



❖ **Unexpected Funds at the End of the Project**

- ❖ A little under spending of a project budget is not cause for concern. But substantial unexpended funds at the end of a project could indicate that the project goals were not accomplished, project costs are being charged to another account, or that the proposal budget was inflated.

❖ **Excessive Spending Near the End of Project**

- ❖ Excessive spending near the end of a project is a “red flag” for project auditors and agencies. Such activity raises questions about purchases that may be hard to justify in terms of project benefit and their necessity to complete project goals.



EVALUATING THE BUDGET

- ❖ **Request More Time or Money if Necessary**
 - ❖ No Cost Extensions
 - ❖ Research Supplements
 - ❖ Administrative Supplements



OTHER CONSIDERATIONS

- ❖ Transfer of the PI to another Institution -
- ❖ If the project is being transferred, it is imperative that the PI quickly should contact the sponsor's program director and the sponsor's business official to discuss the transfer. Each sponsor has their own forms and procedures for accomplishing a transfer. New budgets may also be included to show how funds will be allocated especially if the project is split between institutions. Also, decisions relating to disposition of equipment and other property must be decided between the PI and his/her department.
- ❖ **Prior approval matrix:**
https://www.nsf.gov/bfa/dias/policy/fedrtc/appendix_a.pdf



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RELEVANT REMINDERS

- ❖ **Keep up with policy changes**
- ❖ **Keep in touch with the funding agency**
- ❖ **Always keep in touch with your Office of Sponsored Projects.**
- ❖ **Each grant and contract should be treated individually when determining if a specific transaction is appropriate.**
- ❖ **Monitoring your expenses allows you to make sure of the things you want to accomplish.**



Questions

