

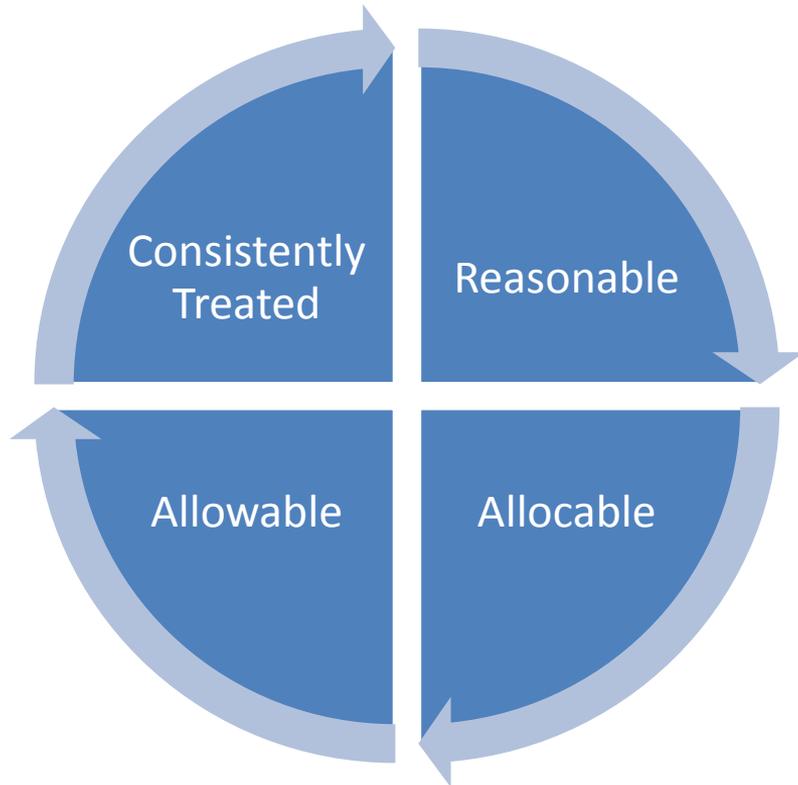
Federal Grants Compliance Training

Agenda

- Overview of cost principles
- Allocating expenses between grants
- Timely reimbursement of expenses
- Participant support costs
- Summer salary calculations
- Fly America Act

Overview of Cost Accounting Principles

Cost Accounting Standards (CAS)



Reasonable—both the **cost** of an item and **nature** of the goods or services must be reasonable.

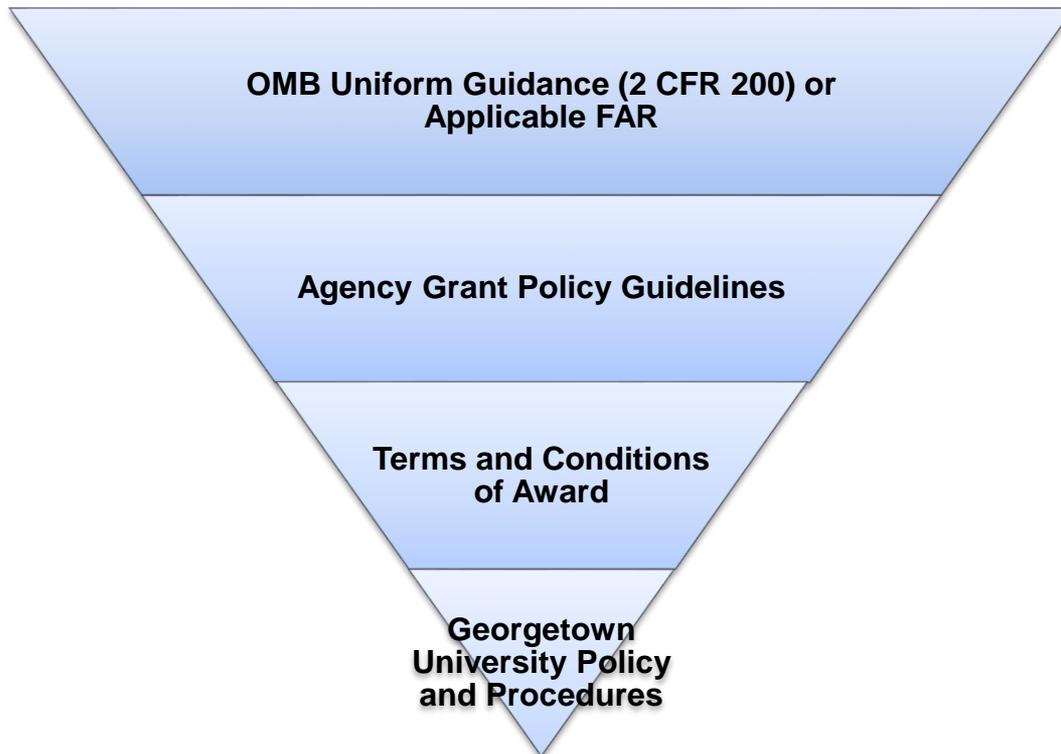
Allocable—a cost is allocable when the goods or services directly benefit the sponsored project; when an item benefits one or more projects, the cost must be allocated accordingly.

Allowable—a cost is allowable if it follows University and sponsoring agency guidelines.

Consistent Treatment—a cost can either be a direct or an indirect (F&A-Facilities & Administration) cost, but generally not both. (e.g., space might be F&A or rented by PI.)

Hierarchy of Determining Allowability

Interpreting Allowability for Direct Costs



Direct Costs: Costs that **can be identified** specifically with a sponsored program and can be **directly assigned** with a high degree of accuracy.

Indirect or Facilities & Administrative (F&A) Costs: Costs that have been incurred for **common or joint objectives** and **cannot be readily identified** with a particular sponsored program or activity.

Allocability Methods from OMB Uniform Guidance

Allocability

- OMB Uniform Guidance requires that a cost allocation methodology be developed for allocating non-personnel costs that benefit two or more projects.
- Costs must be allocated according to the proportion of benefits provided to each project.
- When it is not possible to determine the proportional benefits to each project because of the interrelationship of the work involved, the costs can be distributed based on any reasonable basis, but the basis for the allocation must be documented and retained by PI.
- Faculty should include this information in their proposal budget justifications.
- The Main Campus Office of Research Services and the Medical Center grant managers and cost center managers will work with PIs to develop and document these plans. Plans should be updated annually.

Cost Allocation Methodology Choices

- Actual or approximate usage of supplies on each project
 - Example 1: supplies used by research study participants could be allocated by the number of participants each project enrolls in that study
- Number of experiments performed on each project:
 - Example 2: experiments in a basic science setting may use a precise amount of reagents for each experiment and comparing the number of experiments in each study to one another will produce an actual or approximate usage allocation method.
- PI's percentage of effort charged to each project:
 - Example 3: instances where multiple projects have similar complexities and work efforts, using the PI's percentage of effort charged to each project.

Cost Allocation Methodology Choices

- Number of individuals working on each project
 - Example 4: projects where supply consumption is difficult to approximate because of high volume usage may rely on an allocation method that allocates costs based on the number of individuals working on each project.
- Number of hours of computer/equipment time logged for each project
 - Example 5: research studies involving large amounts of data analysis may use an hours-usage basis to allocate costs such as server maintenance contracts, software licenses, or other costs related to the allocation method selected.
- Square footage devoted to project(s)
 - Example 6: assignable square footage of the project space may be an indicator of greater levels of complexity and consumption of supplies.

Unacceptable Allocation Methodologies

- Rotation of charges among grants by month without establishing that this reflects the relative benefit to each grant
- Assigning charges to grants with largest remaining balance
- Allocating based on budgeted amount and not actual usage
- Charging expenses exclusively to grants when the expense also supports internally funded projects

Timely Reimbursement of Expenses

- Must submit business travel reimbursements and other reimbursements (equipment, supplies, etc.) within 60 days after you paid or incurred the expense
 - Required by GU policies (Employee Reimbursement Policy (Policy FA 112B) and Business Travel and Entertainment Policy (Policy FA 112A))
 - Meets IRS safe harbor for reimbursement of business expenses
- Submitting after 60 days may flag request for additional review; request may be denied or charged to University funds

Participant Support Costs

- Costs paid to or on behalf of participants and trainees (not GU employees) for participation in meetings, conferences, symposia, and workshops or other training projects
- Costs must be explicitly included in the approved budget.
 - For NSF grants: may not rebudget from participant support costs category into other budget categories
 - For NIH grants: must be approved in the original Funding Opportunity Announcement
- Participant support costs are not eligible for indirects
 - Use GMS spend category _____ for participant support costs, to ensure indirects are not charged

Participant Support Costs

- Examples of participant support costs:
 - Stipends
 - Travel costs
 - Meeting/conference fees
 - Subsistence allowance
- Participant support costs do not include:
 - Honoraria paid to guest speaker or lecturer
 - Conference support costs such as facility rentals, media equipment rentals, or conference food
 - Subawards to providers for multiple training events
 - Materials required for poster or publication presentation
 - Computing devices
- Different from training grants (T32s, NSF examples?)

Summer Salary

- Available for faculty on 9-month academic contracts
- Some agencies permit only 2 months
- Calculation of each month of summer salary must be based on total salary divided by 9
 - Not monthly payment amount in GMS

Summer Salary

- Contracts begin either July 1 or August 1
- Contracts beginning July 1:
 - June summer salary based on “old” fiscal year salary
 - July and August summer salary based on “new” fiscal year salary
- Contracts beginning August 1:
 - July and July summer salary based on “old” fiscal year salary
 - August summer salary based on “new” fiscal year salary
 - Available for faculty on 9-month academic contracts

Fly America Act

- Applicability
 - To international travel that is charged to federal awards
 - To all GU employees as well as external subrecipients and suppliers
- Exceptions
 - Code share travel
 - Open Skies Agreement when no City Pairs fare exists **unless the source of funds is the Department of Defense or one of the military services**
 - U.S. carrier does not service the route between foreign cities
 - Must be documented using the Fly America Exception Form

Fly America Exceptions

- Per 41 CFR § 301-10.136, use of a foreign carrier is permitted when:
 - The U.S. airline offers non-stop, direct (no aircraft change) service but flying the U.S. airline will extend travel time, including delay at origin, by 24 hours or more;
 - The U.S. airline does not offer non-stop service between origin and destination and flying the U.S. airline will
 - increase number of aircraft changes outside the U.S. by two (2) or more; or
 - extend travel time by at least six (6) hours; or
 - requires a connecting time of four (4) hours or more at a foreign airport.

What is **Not** a Fly America Exception

- Use of a foreign airline under the following scenarios are not allowable under the Fly America Act so the PI or department must cover the expense:
 - It is cheaper to fly a foreign airline
 - Please note that when comparing flights with travel agents, ask whether the agent is quoting a “fully loaded” fare vs a non-refundable fare that you generally find on-line
 - It is more convenient to fly a foreign airline
 - You are a frequent flyer on a foreign airline or partner alliance

University Policies

- SPFO Cost Handbook
 - <https://georgetown.app.box.com/s/smlxzukostm3gsokrdii9nj8yk8i56mo>
- Direct Cost Allocation Policy
 - <https://georgetown.app.box.com/s/i3dleool7z5mbvtc86drfiizldo57r>
- Business Travel Policy
 - <https://georgetown.app.box.com/s/um9fy6khcomtjh9nwuoq>
- Employee Expense Reimbursement Policy
 - <https://georgetown.app.box.com/s/wzadb9r1jn4138vgo5q7>
- Effort Reporting Policy
 - <https://georgetown.app.box.com/s/hcuhel3lbs4r0r6kmbgu>

Questions

- If you have questions, please contact the following individuals:
 - Main Campus, Law Center, and University Services:
 - Mary Schmiedel at mary.schmiedel@georgetown.edu or 7-3911
 - Medical Center
 - John Bustillos at jrb287@georgetown.edu or 7-4311
 - Financial Affairs
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