

**NEVADA SYSTEM OF HIGHER
EDUCATION SYSTEM
SPONSORED PROGRAMS & EPSCOR**

Grants Manual Policy and Procedures

Revisions as of: 08/24/2022



Table of Contents

Pre-Award Information.....	4
NSHE Sponsored Programs Proposal Process (Internal Awards)	4
Proposal Development - Requirement to Submit Proposals and Receive Awards for Grants and Contracts Policy.....	12
Proposal Development - Salary Determinations	13
Compensation in Excess of Base Salary	14
Cost-Reimbursement vs Fixed Price	15
Cost Policy	16
Cost Sharing or Matching Projects Policy	20
Conflict of Interest and Compensated Outside Services	23
Receipt of Award Instrument	25
Post Award Information	26
New Award Workday Procedure.....	26
AwardIt Procedure.....	27
Use of Subawards	27
Subrecipient Monitoring Guidelines & Procedures.....	31
Subaward Closing Procedure	35
Subawards/Supplier Contract (SCON).....	36
Transfer Budgets & Budget Modifications.....	37
Financial Reporting and Cash Management.....	38
Invoicing - Sub-recipient Invoice Procedure.....	40
Invoicing - Certification Statement	41
Effort Reporting Policy and Procedures	42
Indirect Cost Reimbursement	45
Cost Share Reporting Procedure.....	46
Technical Reporting Policy - Grants Administration	47
Award Close-Out Procedure.....	47
Destruction of Sponsored Records	49
General Administration	49
Purchase Orders	49

Credit Cards (P-Cards) Procedure.....50
Ordering Office Supplies51
Independent Contractors and/or Honorariums52
Equipment and Real Property Management53
APPENDICES54

Index

Nevada System of Higher Education, System Sponsored Programs and EPSCoR – NSHE SSPO shall be referenced

All forms as referenced within the Grants Manual Policy and Procedures (GMPP) are on the Commons Drive and copies are within the GMPP

Workday is a cloud-based software vendor that specializes in human capital management and financial management applications. NSHE SSPO utilizes Workday for its Grants Management.

AwardIt is an in-house database for capturing the subaward receipts, modifications, accounts associated by each sponsor, and each subaward (PO) issued.

Pre-Award Information

NSHE Sponsored Programs Proposal Process (Internal Awards)

Introduction

The System Sponsored Programs and EPSCoR Office (NSHE SSPO) is a unit within the Nevada System of Higher Education (NSHE), Academic and Student Affairs. NSHE SSPO provides pre-award and post-award services for grants and contracts. NSHE SSPO pre- and post-award administrators assist institutions, faculty and staff members to develop and submit proposals and provide financial and administrative support. NSHE SSPO is accountable for pre- and post-award responsibilities that include identifying funding sources; reviewing solicitations; proposal preparation, review and submission; contract negotiations; financial administration; producing financial reports and invoices; effort reporting; cost sharing documentation; audit coordination; System- and State-wide programming to include proposal development, drafting solicitations, coordinating reviews, program administration, outreach, education and reporting; and award closeout.

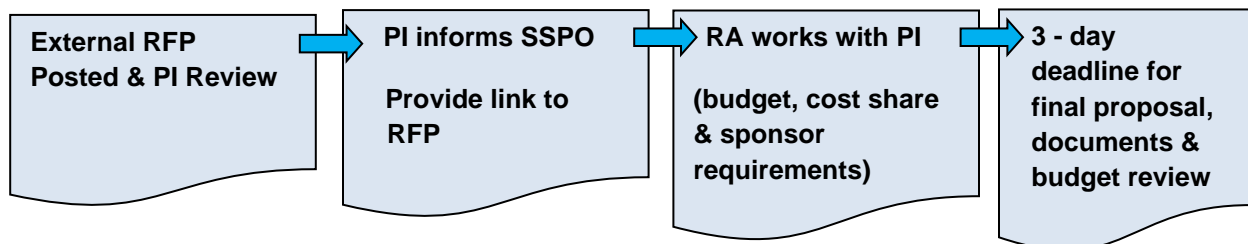
NSHE SSPO is charged with administrative and financial regulations and compliance requirements that govern grants and contracts. The procedures on NSHE Sponsored Programs - Requirement to Submit Proposal and Receive Awards for Grants and Contracts are available at <https://epscorspo.nevada.edu/spo-forms/>.

Proposal Development and Submission

Applicable to: System Administration and its units, including System Computing Services.

When responding to requests by a sponsoring agency for proposals that require financial support, such responses must be routed through NSHE SSPO for review. NSHE SSPO should be contacted within one calendar week of the decision to submit a proposal.

A Research Administrator (RA) will be designated to work with the Principal Investigator to review the Request for Proposal (RFP) for any NSHE requirements and to answer any questions that the PI may have during the proposal process. A copy of the RFP or the website link should be referenced for guiding the proposal development.



Full proposals, supplemental documents, current and pending support forms, bio sketches, etc. must be received by NSHE SSPO not less than 3 business days prior to the sponsor due date for proposals. Proposals received less than 3 business days prior to the sponsor due date may not be reviewed or guaranteed for submission.

Routing Form

Every proposal for review must be submitted to NSHE SSPO with a completed routing form. Proposals must comply with the requirements set forth for review and submission to be guaranteed for submission to the sponsoring agency. See <https://epscorspo.nevada.edu/spo-forms/> for an electronic version of the Routing Form. NSHE SSPO staff completing a proposal routing form must complete the form through the Proposal Database located on the commons drive. All routing forms submitted outside of NSHE SSPO would need to be uploaded in the Proposal Database by the RA for processing.

Budget Development

The RA's role is to advise and guide the PI in preparing and completing their proposal budget. The RA may help facilitate the budget development process by discussing the project with the PI and ascertaining which costs should be included and sharing knowledge regarding allowable costs and indirect cost calculations. The budget should be developed in accordance with the sponsor's requirements, NSHE standards and OMB Uniform Guidance directives and follow the standard budget categories.

Personnel – Should be expressed in terms of a percentage and will be required to report through effort certification reporting. When projecting salaries for the entire project period, it is important to understand that everyone may not be involved during the entire project. When preparing the budget, be sure that the NSHE 3% inflationary factor is included in subsequent year salaries.

Personnel that are employed under NSHE at any of the institutions cannot be budgeted under Personnel as Independent Contractors. If salary is required for a faculty or staff member at a campus to perform a scope of work, a subaward to the campus must be issued.

Fringe Benefits – Fringe benefits are NSHE's contribution to group insurance plans and retirement programs, etc. These contributions are expressed in terms of percentage of salary. They are re-calculated annually to assure accuracy. Fringe rates for proposals are estimates only; the actual fringe rate will be charged to the project accounts when

salaries/wages are incurred. RAs will apply the correct fringe rates based on staff categories.

Consultants – Refer to the policy guidelines of the sponsoring agency to determine when project funds may be used for consultant fees.

Equipment – Equipment, as defined by [BCN policy](#), as inventoried equipment is defined as all merchandise meeting the following criteria:

1. Has a unit cost of \$5,000 or more
2. Is complete in itself (per unit)
3. Does not lose its identity even though it may become a component part of another item when placed in use
4. Is of a non-expendable, non-repairable, durable nature with a life expectancy of one year or more

Items which do not meet these criteria should be classified as “supplies.”

Supplies – Supplies may include program materials, outreach items, miscellaneous disposable items (under \$5,000), etc. and must be itemized by category.

Travel – Funding agencies require full justification for travel requests. Describe the purpose of the travel, destination(s), names or titles of individuals for whom funds are requested, and frequency of trips. All international travel requires Sponsored Programs Office approval since most agencies require prior approval; this applies to subrecipient too.

Other – “Other” expenses may include publication costs, software subscriptions, license fees, rental and leases, and participant costs. These items must be itemized and justified in the budget justification.

Subawards – If a portion of the scope of work is provided outside of NSHE System Administration, or competitions for proposals will be initiated under the prime award, a breakdown of the subrecipient budget must be provided. Approval from the Sponsored Programs Office of the subrecipient is required. A letter of commitment and scope of work may also be required by the sponsoring agency.

The budget justification must clearly identify the subaward’s budget in the sponsoring agency format but placed under “Other”. System Administration or its units, if applicable, will calculate indirect costs only on the first \$25,000 of each subaward. The sub-recipient is expected to be able to charge their full F & A if they have a negotiated rate. Any sponsor F & A restrictions will apply to the sub-recipient.

Facilities and Administration (F&A) Costs

Proposals that are submitted for NSHE SSPO to administer are to apply the full applicable F&A (Indirect Cost) rate to all sponsored projects. The current rate is 15% (effective 7/1/18). Under the following circumstances, a reduction of indirect costs is applicable:

- The sponsoring agency's institutional policies restrict or prohibit payment of full indirect costs.

Indirect costs are not calculated on the following direct cost items if the approved indirect cost rate is applied:

- Equipment, as defined above;
- Subawards (amount in excess of \$25,000 for each subaward);
- Participant Support;
- Tuition; and
- Space Rental.

F&A is not allowed on NSHE State Special Project Match (SPM) funds issued through the State of Nevada but may be utilized as matching funds to a federal award.

Unrecovered or Waived F&A

If the full F&A is not requested and it is applicable to the sponsoring agency, this results in an amount that may be considered cost sharing/matching. If state funds are utilized at NSHE SSPO as cost sharing/match funds, consideration of unrecovered F&A may be requested as part of the budget documentation.

Cost Sharing/Matching

Cost sharing occurs when a cost specifically benefits a sponsored project but is not charged to that project. Matching is synonymous with cost sharing and occurs when a sponsor agrees to fund a portion of direct costs predicated on NSHE making a pre-determined contribution.

If the sponsoring agency requires cost share/matching per the solicitation, then it must be budgeted and explained in the budget justification. Examples of these are a 1:1 cost share requirement.

Sponsored projects may not be cost shared/matched on a voluntary basis. Voluntary cost sharing occurs when a PI includes cost sharing in a proposal when the sponsor does not require it. Voluntary cost sharing, including proposed faculty effort and other types of direct costs, is prohibited. Cost share/match should only be committed as required by the sponsoring agency.

Once a cost sharing/match has been proposed and an award is made, all cost sharing commitments are considered to be mandatory and as such represent binding obligations of NSHE.

If sub-recipients are contributing cost share/matching funds through their institution, their Sponsored Programs office must sign off on the contribution prior to submission to the sponsoring agency. Federal funds from other projects cannot be used as cost share/match.

The complete cost sharing policy can be found at <https://epscorspo.nevada.edu/spo-forms/>.

Proposal Review

The budget must be reviewed and approved by an authorized representative designated by the Director of the Sponsored Programs Office to make sure that all appropriate charges are included, calculations are correct, and costs are in accordance with NSHE policy, OMB Uniform Guidance, and sponsor regulations.

Authorized Organizational Representative

The NSHE SSPO Director has been delegated the authority to sign and obligate NSHE for all standard form federal grant and contract matters.

Submission

All Research Administrators are authorized to submit the final proposal to the sponsoring agency upon approval of the NSHE SSPO.

Post Proposal Follow-Up

A complete copy of the proposal packet and confirmation of receipt, if applicable, will be provided to the PI via email.

Receipt of Award

When a proposal is approved by a sponsor for support, NSHE SSPO will receive notice that an award has been made or a contract is being prepared. If the PI receives such a notice, he/she must contact NSHE SSPO immediately to insure that NSHE SSPO has also received the notice. NSHE SSPO cannot administratively initiate the project without the formal sponsor notification.

Principal Investigators are not authorized to sign award documents on behalf of NSHE.

When an award document is received that requires an authorized signature, it is the responsibility of NSHE SSPO to return signed copies to the sponsor. Upon receipt of the fully executed documents, NSHE SSPO will process the award.

Anticipated Awards (Memo Account)

There may be a legitimate need to start a project prior to the receipt of formal notifications of an award from a sponsor. In this situation, a Memo Account may be requested by the PI prior to the formal notification by completing a [Memo Account Request form](#). The PI must list the guarantee account that will cover any unpaid expenses by the sponsor. When the formal award is received the account will be updated with current information per the sponsored agreement. If for any reason an award is not received, or if the sponsor's conditions preclude pre-award-date expenses, the SA unit is responsible for any unreimbursed expenditures. The amount requested should be no more than 25% of the total budget and limited to expenses that would be incurred within the 90 pre-award period. The full amount of the anticipated award will not be authorized to set up a Memo Account.

“Kick Off” Meeting

Upon receipt of award, and review of terms and conditions, a “Kick Off” meeting will be conducted with the PI and the NSHE SSPO Director or their designee to review the roles and responsibilities of those involved in the program implementation and grants management. This will include the review of Scope of Work (SOW), budget, cost share, sponsor terms and conditions and compliance.

Subawards

Since the development of the SPO in 1986, system- or statewide sponsored project funds have been distributed through a competitive Request for Proposals (RFP) solicitation or as specifically described in the narrative of the funded proposal.

Standard Templates for Subawards

All sponsored program funds sub-awarded to NSHE institutions will be distributed through the Basic Agreement for Inter-Institutional Cooperation in Sponsored Programs, as per the [Procedures and Guidelines Manual, Chapter 6, Section 12](#).

NSHE is a member of the Federal Demonstration Partnership (FDP) and is permitted to use the standard FDP subaward templates.

Proposal Selection Process

All proposals received through an RFP will be competitive, electronically submitted via pdf, and sent through a review process. The review panels can be made up of external or internal reviewers depending on the request for proposal and guidelines.

If an RFP is specific to a new EPSCoR system-wide project under NSF, NASA or DOE, the proposal will always be sent out for external review. Upon compilation of the reviewers' comments, the Research Affairs Council (RAC) and the Project Director will meet and then

provide a consensus on which of the selected pre-proposals will move forward for full proposal development. The internal NSHE Request for Proposals for EPSCoR process is specifically written to meet the needs of the sponsoring agency and the complete cycle from RFP to selection of pre-proposals is approximately 12-18 months.

Roles of Administration

While the process of managing sponsored program awards is a shared responsibility between the Principal Investigator and the staff of NSHE SSPO, both have unique areas of primary responsibility.

The purpose of this section is to outline those specific responsibilities, present an overview of project management with special emphasis on the Principal Investigator's role in sponsored programs management and the pre- and post-award administration. The program is administered by a Principal Investigator (PI) and a Research Administrator (RA).

The role of the PI is to interact with the RA as necessary regarding grant compliance clarification or needs. The RA is the main point of contact with the sponsor. Any requests made to the federal, state, county, foundation, etc. shall be sent from the NSHE SSPO designated RA. This ensures that documentation and a single point of contact is facilitated.

The Scope of Work (SOW) approved by the sponsor is administered through a team approach. Most awards are sub-awarded out to the institutions to fulfill the SOW along with an approved budget. Because there are NSHE non-subaward administered programs, the program SOW and budget will be set up as a sub-budget to the prime award. The prime grantee (NSHE SSPO) will maintain the budget of any associated costs of salary/fringe, operations, all subawards and F&A.

Project Director/Principal Investigator (PI)

The PI is responsible for achieving the technical success of the project, while also complying with the financial and administrative policies and regulations associated with the award. Although PIs may have administrative staff to assist them with the management of project funds, the ultimate responsibility for the management of the sponsored program award rests with the PI. The fundamental responsibilities of the PI during the post-award phase of a sponsored award include:

- Executing the project as outlined in the funded proposal, using sound management techniques;
- Carrying out the project's financial plan as presented in the funded proposal, or make changes to the plan while working with the RA;
- Reporting project progress to the sponsor as outlined in the terms of the award;
- Maintaining an accurate record of project related expenses;
- Complying with NSHE policy and procedures related to project management and personnel practices;

- Complying with all applicable sponsor rules, regulations, and/or terms and conditions of the award and follow OMB Uniform guidelines; and
- Coordinating efforts with the RA.

Pre and Post Award Administration

NSHE SSPO is the administrative unit responsible for communicating sponsor requirements to NSHE System Administration and establishing the controls necessary to assure the requirements are met. NSHE SSPO is responsible for grants and contracts and the financial controls of awards received.

Research Administrator (RA) (Pre-Award)

The RA provides service to the PI with regard to external funding while protecting NSHE and its employees and maintaining an environment of compliance. Responsibilities of a RA include:

- Supporting PIs in the development of proposals and related financial narratives and budgets;
- Overseeing proposal submission, award activation & financial administration;
- Electronically submitting proposals;
- Maintaining database of proposals and awarded grants and contracts;
- Providing general assistance and advice in the management of awards;
- Preparing subawards from NSHE to other institutions or organizations;
- Managing grant and contract accounts throughout the life of the project;
- Reviewing and approving invoices;
- Understanding unallowable, direct, and facilities and administrative (F&A) costs;
- Understanding and following Cost Accounting Standards (CAS) and OMB Uniform Guidance;
- Showing consistency in charging sponsored award costs;
- Monitoring compliance with grant and contract financial rules and regulations;
- Ensuring monthly review of project costs;
- Ensuring compliance with sub-recipient monitoring procedures and cost-share requirements;
- Acting as the primary liaison with sponsors on all contractual and administrative issues
- Approving and coordinating all expenditures; and
- Coordinating efforts with the PI.

Post Award Department (Post Award Manager and Grants Administrator)

The Post Award Department is made up of the Post Award Manager and the Grants Administrator. They provide customer service to the PIs and RAs with regard to external funding and financial compliance. The Post Award Department's responsibilities include, but are not limited to the following:

1. Establishing and managing the financial compliance of grants and contracts, as detailed in the Workday Procedures section of the Grants Manual Policy and Procedures throughout the lifecycle of the award;
2. Invoicing and drawing down funds based on each sponsor's specific requirements and/or method (i.e. Payment Management System (PMS), ePage, Research.gov, etc.) for requesting funds;
3. Managing financial reporting requirements as required by each sponsor;
4. Managing subaward documents, receipt of invoices and tracking cost share information via the *AwardIt* database;
5. Managing the effort certification process on a monthly basis (refer to Effort Reporting Policy and Procedures section);
6. Coordinating external and internal sponsored program audits;
7. Ensuring compliance with sub-recipient monitoring procedures and cost share/matching requirements;
8. Coordinating close out of award; and
9. Maintaining grants and contracts records and destroying upon expiration.

Proposal Development - Requirement to Submit Proposals and Receive Awards for Grants and Contracts Policy

Nevada System of Higher Education (NSHE) Policy on the Requirement to Submit Proposals and Receive Awards for Grants and Contracts includes the NSHE branches listed: System Computing Services (SCS) and System Administration. This policy transmits the requirement to submit proposals and to receive awards for grants and contracts through the NSHE System Sponsored Programs Office (NSHE SSPO).

This policy states that all employees who receive any part of their salary through NSHE SA or SCS branches or whose activities use any NSHE resources or facilities must submit their proposals for extramural support through NSHE SSPO.

This requirement is necessary to ensure that all research and other extramurally funded projects conducted by NSHE employees, or with the use of NSHE resources or facilities, are approved by the appropriate Authorized Official Representative (AOR) at NSHE SSPO and comply with relevant NSHE policies and guidelines as well as sponsor guidelines including the federal Uniform Guidance, including but not limited to those governing:

- integrity in research;
- appropriateness of the activity to NSHE;
- protection of human and animal subjects and the environment;
- use of NSHE facilities;
- adherence to personnel policies;
- compensation plans;
- intellectual property;
- conflicts of interest;

- recovery of direct and indirect costs;
- liability insurance and indemnification; and
- medical malpractice coverage.

In the case of projects to be conducted by NSHE in collaboration with other organizations, NSHE can be either the prime contractor or a subcontractor. In all cases, all resources required to conduct the portion of the work which will be directed by NSHE employees must be included in the award to NSHE.

Proposal Development - Salary Determinations

Proposal - During the award proposal phase, a determination will be made to appoint a Research Administrator (RA) who will manage the program. The RA will provide management oversight and administrative assistance to the Principal Investigators/Co-investigators during the grant period. Salary decisions will be made during this proposal phase. If cost share is required, you should decide whether salaries will be paid from cost share funds or from the grant itself.

PIs are normally assigned at the NSHE campuses level. Their salaries will be sub-awarded to the campus and be under the control of their personnel representatives.

Other Personnel – If other personnel will receive salaries from the grant, a determination of payment sources should be made at this time

Grant Award – Upon receipt of the grant award document, an award account is created in Workday. Notification is made to the Human Resources (HR) office to request any costing allocation(s) related to the grant to be established in Workday. The Director or Department Representatives (SCS) notifies HR of the need for a new costing allocation and HR processes in Workday. When the link is established between the account and personnel, salary expenditures can then be made against that account.

The NSHE SSPO Director will contact HR to authorize any changes to an employee's pay. The HR office will not accept any other request for changes. This is to ensure unauthorized changes cannot be made without the Director's approval.

Costing Allocation – Each individual has a costing allocation showing the percentage of salary charged to each grant or program account and the associated start and end dates the allocation is applicable. The employee should ensure these amounts are kept current and match the effort reporting on grant accounts.

Monthly Reconciliation – On a monthly basis, an effort report will be generated for all required employees whose compensation was charged in whole or in part to a sponsored project during the respective effort period. Effective July 2020, the effort certification process transitioned from a hard copy version for all professional employees to an effort certification process in Workday. Effective March 2022, student workers transitioned to an effort certification process in Workday. As of July 2022, hourly employees, Letters of Appointment (LOAs), and stipends continue to be

managed via the Personnel Activity Report. See the section Effort Reporting Policy and Procedures for additional details.

Compensation in Excess of Base Salary

Introduction

Administrators and professional support personnel under full-time employment contracts to Nevada System of Higher Education (NSHE) are accountable to NSHE for 100 percent of the duties associated with their basic appointments.

Employment contracts for administrators and professional support personnel are duty-based, not time-based. Full compensation for the performance of all regular duties is stipulated in the professional employee's basic appointment contract. Compensation over and above the employee's stipulated salary for a given base salary period, from NSHE administered funds, is not allowed for performance of regular contracted duties.

In certain situations, compensation in excess of the base salary from NSHE administered funds may be justified. It is the purpose of this policy to define extra-contractual/supplemental compensation as it relates to various personnel and situations, and to establish the review criteria and procedures for the payment of such compensation.

Definition of Terms

Additional temporary responsibilities/assignments

Certain activities may justify extra-contractual compensation. Examples include:

- special projects assigned as overload by NSHE administrators;
- consulting or other special services performed in connection with a remote operation, for a department or area other than the employee's department or area; and
- specially approved work on a NSHE administered sponsored project.

Additional responsibilities and assignments of a more permanent nature may be considered justification for adjustment of the employee's stipulated salary rather than justification for extra-contractual or supplementary compensation.

Extra-contractual (supplemental) compensation (called a stipend in Workday)

Compensation paid to an employee is considered "extra-contractual" or "supplemental" if it is:

- paid for services rendered during the base salary period;

- is payment in excess of the employee's stipulated salary;
- is paid in connection with approved "additional responsibilities/assignments"; and
- is paid from NSHE administered funds.

Stipulated salary

The term used for the total salary amount to be paid to an employee over the applicable base salary period for a particular fiscal year. Stipulated salary amounts are those found in the NSHE budget and/or the appointment contract for the employee. (Also may be referred to as "institutional base salary.")

Guidelines

Compensation in excess of base pay will follow the [Office of Management and Budget \(OMB\) Uniform Guidance Subpart E](#) – Cost Principles 2 CFR §200.430 Compensation – Personal Services. Extra compensation policies must be consistently administered for all administrators and professional staff. Extra compensation must be commensurate with the stipulated salary of the employee.

Policy Application

Administrators and professional support personnel (for whom overtime compensation is not allowed) may not receive compensation from NSHE administered funds in excess of 100 percent of stipulated salary for regular contractual obligations during the base salary period.

Compensation during the base salary period for the performance of additional temporary responsibilities and/or assignments may be paid in excess of the stipulated salary for all or part of that period if approval for compensation is obtained in accordance with this policy.

The total amount of approved compensation paid from NSHE will not, however, exceed twenty-five percent (25%) of the stipulated salary for the base salary period.

For professional 12-month contract personnel, extra-contractual compensation paid from NSHE administered funds shall not exceed 25% of the employee's 12 month stipulated salary (3.0 months, FTE).

Cost-Reimbursement vs Fixed Price

Cost-Reimbursement (Invoicing for project-related costs incurred)

Contract pricing method under which allowable and reasonable costs incurred by a contractor in the performance of a contract are reimbursed in accordance with the terms of the contract.

For Invoicing: After expenditures for an award have been completely processed in Workday (i.e. Supplier Invoice generated, P-Card verification, Expense Report approved, F&A calculated, etc.) invoices are submitted to the sponsor by the institution for actual costs, generally on a monthly basis.

- Start & End Dates are important for liability reasons and are critical for financial consideration
- Expenditures are auditable and must adhere to a budget
- Funds remaining after End Date may be lost unless an extension of the End Date is justified (having unexpended funds is not a justifiable reason)

Fixed-Price (Scheduled payments tied to satisfactory performance and/or deliverables)

A type of contract that generally provides for a firm price or under appropriate circumstances, may provide for an adjustable price for the supplies or services being procured.

For Invoicing: After service has been completed, an invoice is generated for the firm price.

- Start & End Dates are important for liability reasons but are not critical to financial consideration
- Although budgets are not included in fixed-price agreements, the total price agreed upon must be based on realistic cost estimates
- Unexpended funds remaining upon termination of the project may be retained by the institution, HOWEVER consistent & excessive unexpended balances may make the institution liable for payment of Unrelated Business Income Tax (UBIT)

Procedure for fixed price accounts: 1) Close out account(s) after final scheduled payments and deliverables have been met. Within SSPO/EPSCoR the remaining funds would be distributed to PI and SSPO/EPSCoR, as determined upon acceptance of a fixed price agreement; 2) the remaining amount, if applicable, is then set up in a new account as unrestricted funds. This should be done within 90 days of close out.

Cost Policy

(compliance with OMB 2 CFR Part 200 Subpart E – Cost Principles)

Costs on sponsored awards for educational institutions are determined allowable based on federal regulations such as the Office of Management and Budget (OMB) Uniform Guidance; Federal Acquisition Regulations (FAR); Nevada System of Higher Education (NSHE) and state policies and procedures; NSHE System Sponsored Programs (SSPO) accepted Cost Accounting Standards (CAS); the awarding entity's granting policies; and specific terms and conditions of an award.

State Laws and Regulations:

Nevada System of Higher Education is a state entity and therefore subject to state and NSHE rules and regulations.

[NSHE Procedures & Guidelines manual](#) should be reviewed in its entirety, but a few specific sections are identified below.

NSHE fiscal procedures for contracting on sponsored programs is found in NSHE Procedures & Guidelines Manual, [Chapter 05 - Fiscal Procedures](#).

As a state entity we are self-insured in general liability, auto liability and workers' compensation in accordance with the limitations of the [Nevada Revised Statutes \(NRS\) 41.0305 to 41.039](#)

It is NSHE's policy that sponsored projects performed in Nevada should be subject to Nevada State law. If the sponsored project is to be performed outside the state of Nevada, NSHE would still prefer that Nevada law apply, but we do have flexibility to allow another state's laws if the sponsor cannot agree to remain silent or accept Nevada law.

[Nevada Revised Statutes \(NRS\) 600.500](#) codifies ownership of intellectual property when the invention is funded by a sponsored program. The employer is sole owner of patentable invention or trade secret developed by the employee during the course and scope of the employment that relates directly to work performed during the course and scope of the employment.

Institutions should seek reimbursement for all direct and full facilities and administrative (F&A) costs (formerly called indirect costs) associated with every grant and contract and that budgets include all recoverable direct costs and F&A costs at the full rate allowed.

Federal Laws and Regulations:

OMB Uniform Guidance

NSHE SSPO is subject to the cost principles and methods under the OMB 2 CFR Part 200 Uniform Guidance, which requires that costs must be allocable to a sponsored agreement. A cost is allocable to a particular sponsored project if the goods or services involved are chargeable or assignable to the project in accordance with the relative benefits received. As a recipient of federal funds, NSHE SSPO must follow policies and regulations that govern compensation for employees, including additional compensation for outside consulting.

[OMB Uniform Guidance \(UG\) 2 CFR 200, Subpart E](#) establishes principles for determining costs, including but not limited to:

- **Composition of Costs:** Total cost. The total cost of a federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits in OMB UG 200.402
- **Allowability of Costs:** costs must be necessary and reasonable; conform to any limitations or exclusions set forth in the UG, or in the agreement terms and conditions as to types or amounts of cost items in OMB UG 200.403
- **Reasonable Costs:** defined as the action that a prudent person would take under the circumstances to incur the cost, and determined in OMB UG 200.404
- **Allocable Costs:** a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship, and under the principles and methods described in OMB UG 200.405
- **Applicable Credits:** refers to those receipts or reduction-of-expenditure-type transactions that offset or reduce expense items allocable to federal awards as direct or indirect (F&A) costs in OMB UG 200.406
- **Prior Written Approval:** Under any given federal award, the reasonableness and allocability of certain items of costs may be difficult to determine. In order to avoid subsequent disallowance or dispute based on unreasonableness or non-allocability, the non-federal entity may seek the prior written approval of the cognizant agency for indirect costs or the federal awarding agency in advance of the incurrence of special or unusual costs referenced in OMB UG 200.407
- **Special Considerations:** In addition to the basic considerations regarding the allowability of costs highlighted in this section, other sections in this part describe special considerations and requirements applicable to states, local governments, Indian tribes, and IHEs in OMB UG 200.409 & 200.418
- **Consistently Treated:** costs must be given consistent treatment through application of Generally Accepted Accounting Principles (GAAP) appropriate to the circumstances as dictated by Cost Accounting Standards (CAS).

Selected items of direct cost to individual grants can be found in OMB Uniform Guidance.

A list of some of the frequently addressed individual items includes:

- Advertising and public relations OMB UG 200.421
- Alcoholic beverages OMB UG 200.423
- Compensation - Personal Services OMB UG 200.430
- Compensation – Fringe Benefits OMB UG 200.431
- Conferences OMB UG 200.432
- Entertainment Costs OMB UG 200.438
- Equipment and other capital expenditures OMB UG 200.439
- Fines, penalties, damages and other settlements OMB UG 200.441
- Intellectual Property OMB UG 200.448
- Losses on other awards or contracts OMB UG 200.451
- Maintenance and repair costs OMB UG 200.452
- Memberships, subscriptions and professional activity costs OMB UG 200.454
- Pre-award costs OMB UG 200.458
- Proposal costs OMB UG 200.460
- Publication and printing costs OMB UG 200.461

- Rearrangement and reconversion costs OMB UG 200.462
- Recruiting costs OMB UG 200.463
- Rental cost of real property and equipment OMB UG 200.465
- Scholarships and student aid costs OMB UG 200.466
- Specialized service facilities OMB UG 200.468
- Student activity costs OMB UG 200.469
- Telecommunication costs and video surveillance costs OMB UG 200.471
- Termination costs OMB UG 200.472
- Training and Education costs applicable to sponsored agreements OMB UG 200.473
- Transportation costs OMB UG 200.474
- Travel costs OMB UG 200.475

OMB Uniform Guidance CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is available in its entirety at:

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>

The federal Cost Accounting Standards impose general consistency in our costing practices and some of those practices are delineated below:

Cost Accounting Standards (CAS)

NSHE SSPO is subject to CAS, which emphasizes the importance of consistent application of cost accounting principles. All costs incurred for the same purpose, in like circumstances, must be treated consistently as either direct or indirect costs. Where NSHE SSPO treats a particular type of cost as a direct cost on sponsored agreements, all costs incurred for the same purpose in like circumstances must be treated as direct costs for all activities of the institution.

NSHE SSPO follows University of Nevada, Reno's (UNR) Cost Accounting Standards Board Disclosure Statement (required for educational institutions that receive aggregate sponsored agreements totaling \$25 million or more within their recent fiscal year), and NSHE SSPO follows UNR's disclosure statement <https://www.unr.edu/sponsored-projects/pre-award/guidelines-resources/quick-reference-guide>

OMB Uniform Guidance 2 CFR 200, Subpart F

Under [OMB 2 CFR 200, Subpart F: Audit Requirements](#), NSHE SSPO, as part of NSHE, must undergo external audits each year to ensure that the institution maintains internal controls over grant and contract funds and is in compliance with applicable federal, state, institution and award regulations. Auditors closely examine transfers between accounts, of both salary and non-salary costs, especially transfers involving budgets in a deficit condition or those having unexpended funds at the expiration date. Under OMB 2 CFR 200, Subpart E, allocable costs cannot be transferred to another sponsored project to avoid restrictions imposed by law or by terms of the

sponsored agreement. If such conditions exist, it is particularly essential to provide convincing evidence that the transfer is not for reasons of budgetary convenience.

Unallowable Costs

The following costs are unallowable charges to sponsored projects as either direct costs or as part of the Facilities and Administrative (F&A) (formerly known as indirect costs) rate. They must be identified by the appropriate account code designated for those expenses.

- Advertising, other than for help wanted or for the procurement of goods or services necessary for the performance of the award (e.g. human subjects);
- Alcoholic beverages;
- Bad debt expense;
- Entertainment, unless specifically provided for in the award;
- Fines and penalties;
- First class travel;
- Goods and services for personal use, such as automobiles;
- Housing and personal living expenses for officers;
- Internal interest expense;
- Memberships in social, dining or country clubs.

In addition to the specific costs listed above, costs associated with the following activities are unallowable direct charges to sponsored projects. They must be identified and accounted for in funds specified for their purpose:

- Alumni activities
- Commencement and convocation costs
- Executive and legislative lobbying
- Fund raising costs
- Investment management costs
- Losses on sponsored agreements
- General public relations costs
- Costs for prosecuting claims against the federal government
- Restricted fund overdrafts

Cost Sharing or Matching Projects Policy

Cost sharing should only be provided when required by the sponsoring agency. NSHE SSPO recommends providing only the minimum amount of cost sharing necessary to meet the sponsors' requirements and discourages voluntary committed cost sharing. The various types of cost sharing are defined as follows:

- **Mandatory** – funding, either required by the terms and conditions of the award or by federal statute, that requires NSHE to contribute toward the project as a condition of

receiving the award. This can be in the form of a specified dollar amount, a percentage of total costs or in-kind/matching;

- **Voluntary Committed** – a cost associated with a sponsored project, which was identified in the proposal, but was not required or funded by the sponsor;
- **Voluntary Uncommitted** – a cost associated with a sponsored project and not funded by the sponsor, which was not committed in the proposal or in any other communication to the sponsor. It does not need to be tracked for cost accounting purposes; or
- **In-kind/matching** – The requirement by some sponsors that grant funds be matched in some proportion with funds from another party, either from the institution or another sponsor. Matching requirements may be in the form of actual cash expenditures of funds or may be an “in-kind” match, which is the value of non-cash contributions to the project. In-kind or matching contributions may be made by parties other than NSHE require documentation from that third party supporting the use of the funds, goods or services contributed, time and effort, etc. as in-kind/matching and may require a certification of fair market value.

NSHE SSPO is responsible for identifying cost sharing requirements, whether mandatory, voluntary committed cost sharing or in-kind/matching in proposals/awards. NSHE SSPO follows its *Cost Share Reporting Procedure* to account for, track and consistently report requirements throughout NSHE awards and subawards.

Whenever applicable, NSHE will show in the approved budget or another appropriate document which program or project costs will be borne by the sub-awardee and which will be borne by the sponsor. Cost matching is a specific form of cost sharing, which means that the sub-awardee must provide additional resources for the program or project expenses in some proportion to the amount to be externally funded. Cost sharing is agreed upon in advance of a proposal submission via a signature through the campus’ office of sponsored programs, business managers, or controller’s office.

NSHE SSPO must ensure that cost sharing commitments for grants and contracts are recorded on proposals, accounted for, and reported in a manner consistent with the terms of the sponsors’ award and the general requirements set forth in federal or other applicable regulations. Care must be taken during the proposal preparation process to ensure that all potential cost sharing commitments are recognized and approved. All cost sharing commitments must be clearly stated in the budget explanation of the proposal. Project Directors are cautioned not to imply cost matching that is not included in the budget, without working with the NSHE SSPO, as NSHE may be held responsible for implied cost matching.

NSHE State Project Match (SPM) allocation resources should only be committed in those instances where cost sharing is mandated by a sponsor (such as EPSCoR projects). Throughout the project’s life, the Project Director and NSHE SSPO must maintain sufficient documentation to substantiate the actual cost sharing contribution and report the cost sharing to the funding agency annually or more often if specified in the sponsors’ terms and conditions of the award. All

documentation on cost sharing is subject to audit in accordance with the sponsor's policy for funding which is provided to award recipients.

All matching contributions, both special projects and in-kind, must adhere to the following criteria as required by Uniform Guidance Subparts A-F and Appendix III.

- Are verifiable from the non-federal entity's records;
- Are not included as contributions for any other federal award;
- Are necessary and reasonable for accomplishment of project or program objectives;
- Are allowable under [subpart E](#);
- Are not paid by the federal government under another award, except where the federal statute authorizing a program specifically provides that federal funds made available for such program can be applied to matching or cost sharing requirements of other federal programs; and
- Are provided for in the approved budget when required by the federal awarding agency.

Acceptable Cost-Sharing Items

Cost sharing or matching may consist of the following cost elements used to further project objectives. Note this list is not all-inclusive.

- Salaries of NSHE faculty or staff who are paid by the system, and who devote a percentage of their compensated time to a sponsored project, without receiving reimbursement from the sponsor.
- Fringe benefit costs associated with contributed effort as described above.
- Indirect costs unrecovered, including rent and occupancy costs, where the sponsor does not prohibit the use of indirect unrecovered as cost sharing.
- Other direct costs, such as supplies, equipment, non-capitalized assets, or travel that are paid for from allowable funding sources.
- Project costs financed by cash contributions by the recipient, or by cash from third parties.
- Contributions of services and property donated by recipient or third parties (non-federal public agencies and institutions, private organizations and individuals), provided that the values are established in accordance with the applicable cost principles.

Cost Sharing Procedures and Responsibilities

During the proposal preparation process, NSHE SSPO, with assistance from the Project Director, will:

1. Determine if a need for cost sharing is applicable.
2. If yes, then in consultation with the appropriate NSHE collaborators, develop a cost sharing plan which indicates the cost sharing method(s) and amounts/calculations to be used, and the sources of all funding or in-kind contributions.
3. Review the proposal plan with NSHE SSPO and campus sponsored programs office to resolve any questions concerning appropriateness, allowability, reporting, documentation requirements and any other related issues.

4. Fill out budget template (specific to the sponsor requirements) and begin internal campus routing along with the proposal for approval in writing by an authorized signer.
5. Upon award of the project, NSHE SSPO shall issue subawards to the campuses to commit and document cost matching requirements.

Documentation on Cost Sharing/Matching Accounting

The Post Award department will maintain a record of cost share contributions from sub-awardees via its *AwardIt* access database, effort reporting worksheets and any additional documentation provided related to cost sharing requirements.

1. It shall be the responsibility of the sub-awardees to invoice required cost matching on a regular basis and to ensure that the required documents are forwarded to NSHE SSPO.
2. The RAs will follow up regularly with the Project Director to provide advice on the status of matching requirements. This will be done via quarterly project reports or phone communications.

The Project Director shall routinely follow up with the campus PIs to ensure compliance with their obligations.

Conflict of Interest and Compensated Outside Services

STATEMENT OF PURPOSE

The purpose of this policy is to establish requirements for identifying, managing, reducing, and/or eliminating conflicts of interest and managing compensated outside services. This policy complies with Nevada System of Higher Education (NSHE), State of Nevada requirements, and federal financial conflict of interest regulations.

POLICY

NSHE must comply with federal, state, and NSHE regulations related to conflicts of interest and compensated outside services. Based on these requirements, all professional staff must identify all potential conflicts of interest and all compensated outside services through an annual submission of a completed disclosure form. Employees must also submit an updated form and obtain Vice Chancellor approval prior to either participating in any new activity that may lead to a conflict of interest or agreeing to perform any new compensated outside service.

Individuals affiliated with the system through sponsored projects must disclose potential conflicts of interest prior to their participation in such projects.

AUTHORITY

Nevada Revised Statutes ([NRS](#)) [281A.400-281A.550](#) details the code of ethics applicable to former public officers and employees of the State of Nevada. This includes restrictions on conflicts of interest and compensated outside services. [Nevada Revised Statutes \(NRS\) 396.110](#) grants authority to the Nevada System of Higher Education Board of Regents to prescribe rules for governing the system. The [NSHE Board of Regents Handbook](#) details the Board policies for Compensated Outside Professional Services (Title 4, Chapter 3, Section 9); Intellectual Property Policy, Research, and Entrepreneurial Activity (Title 4, Chapter 12) and the Conflicts of Interest Prohibited Policy (Title 4, Chapter 10, Section 1.7).

Additionally, NSHE must comply with the *Federal Financial Conflict of Interest* regulations, [Code of Federal Regulations \(CFR\) 42](#) CFR Part 50, Subpart F Promoting Objectivity in Research, and 45 CFR Part 94 Responsible Prospective Contractors, and any additional grant acceptance requirements, including the National Science Foundation (NSF) Grant Policy Manual.

DEFINITIONS

Conflict of Interest or COI: Any outside activity or interest that may, or may appear to, adversely affect, compromise, or be incompatible with the obligations of an employee in the system. Conflict of interest (COI) encompasses any situation in which an employee of the system uses, or is in a position to use, his or her influence and authority within the system to advance his or her own personal or financial interest, or the personal or financial interests of individuals in the employee's household; persons to whom the employee is related by blood, adoption or marriage within the third degree of consanguinity; or persons with whom the employee has substantial and continuing outside business relationships. The bias of such conflicts could conceivably inappropriately affect the goals of research, instructional or administrative programs. The education of students, the methods of analysis and interpretation of research data, the hiring of staff, procurement of materials, and other administrative tasks within the System must be free of undue influence of outside interests. For the purposes of reporting COIs to federal funding agencies, the federal definition(s) supersedes the above definition and will be used to determine which COIs must be reported.

Compensated Outside Services: Includes outside compensated work or scholarly services performed by a system employee but does not include income derived solely from passive investments. Provision of compensated outside services is recognized as a legitimate activity unless specifically prohibited by an employee's contract of employment. Compensated outside service is not considered appropriate when it interferes with the regular work of the system employee; involves unauthorized use of system/institution facilities, personnel, or other resources; subjects other individuals or companies engaged in private practice to unfair competition; violates the general requirements of Nevada Revised Statutes ([NRS](#)) [281A.400-281A.430](#); or involves a conflict of interest specified by NSHE policy.

Receipt of Award Instrument

Upon receipt of a Notice of Award (NOA) from a sponsor, it is the responsibility of the Research Administrator (RA) managing the project to begin the steps related to the receipt of the award.

The RA follows the steps in Workday of “Create Award” entering in all of the required information.

The RA will notify the Post Award department via email that a new award set-up has been entered into Workday. The following supporting documentation should be included in the email:

1. Notice of Award (NOA)
2. Fully Executed Contracts
3. Sponsor provided Award Management Guidelines, policies, forms, etc.
4. Request for Proposal (RFP) or solicitation
5. Proposal submission
6. Sponsor approved budget
7. Workday Budget Worksheet
8. Any other information related to the Award

The Post Award department reviews the setup of the award, completing all necessary additional steps to finalize the set-up of the award:

1. Review entered award set-up data against provided documentation for all relevant fields, including the following:
 - a. Award calendar dates
 - b. Sponsor information
 - c. Funding details
 - d. Award Line information (i.e. Revenue Category, Facilities & Administration, etc.)
 - e. Cost share information
2. Maintain Budget
 - a. Edit Budget Check Options
 - b. Enter Budget Lines
3. Create Billing Schedule
4. Create Award Tasks (as applicable)
5. Add/Manage Attachments
6. Assign roles
7. Verify Award and Budget are both approved

Post Award Information

New Award Workday Procedure

In 2018, NSHE transitioned from the Legacy system to Workday. Workday is a **cloud-based software vendor that specializes in human capital management and financial management applications**. Its Composite Reporting tools, provide multidimensional financial and operational reporting and analytics.

All NSHE employees are given access to the Workday system via their own unique log-in and password. Employees are assigned Security Profiles based on their position in order to access only the information pertinent to their specific duties within NSHE. NSHE specific training documentation on Workday is available at <https://workdaydocs.nshe.nevada.edu/> (log-in required).

NSHE SSPO utilizes Workday for its Grants Management. Workday is the primary software used for the fiscal management and human resources related functions in order to create awards; issue and track subawards; budget and track expenditures related to awards and subawards; manage invoicing to sponsors and receipt of funds; manage effort certification reporting; store and manage award documents, correspondence, financial and progress reports.

When new awards are issued, NSHE SSPO follows these procedures:

1. In Workday the Director/Research Administrator will create a draft award by either copying a previous award or initiating a new award template. The key information that should be included are as follows:
 - a. Name of Award
 - b. Description
 - c. Sponsor Award reference Number
 - d. Award Date
 - e. Award Type
 - f. Purpose Code
 - g. Award Calendar (includes Award Schedule, Start and End Date and Contract Start and End Date)
 - h. Federal Award Id Number (if applicable)
 - i. CFDA or Assistance Listing Number (if applicable)
 - j. Sponsor Information
 - k. Funding Details
2. Once the award has been drafted in Workday, the Director/Research Administrator will contact the Post Award department via email, notifying them of a new award for review/setup. The email will include the award number and attachments for all relevant supporting documentation (i.e. Notice of Award, Terms and Conditions, Sponsored Programs & EPSCoR Workday Budget Template, etc.).

3. Post Award is responsible for completing the following steps to approve the award:
 - a. Reviewing the draft award entries for accuracy
 - b. Create Billing Schedule
 - c. Create Budget
 - d. Manage Attachments
 - e. Create Award Tasks (if applicable)
4. Once Post Award has completed/approved the award, a Workday notification will be sent to the Director/Research Administrator that the set-up is complete and approved.
5. Throughout the lifecycle of the award, Post Award will be responsible for managing the award in Workday, including:
 - a. Changes to the award (i.e. amendments, extensions, additional funding, etc.)
 - b. Managing attachments
 - c. Budget Amendments/Modifications
 - d. Managing Subawards
 - e. Sponsor Invoicing - Cost Reimbursable Invoicing and Pre-paid Consumption of Funding
 - f. Financial Reporting requirements of the award
 - g. Effort Certification Functions
 - h. Assigning/Updating Award Tasks
 - i. Close-out of Subawards and Award

AwardIt Procedure

AwardIt is a database developed to list subaward information to include funds awarded to NSHE SSPO, funds awarded by subaward, and expenses related to those funds. NSHE SSPO Post Award personnel have access to and are the only personnel allowed to make changes to the information in the database. The database is used to track subawards, modifications, expenditures, and cost share information to assist the Director/Research Administrators with their sponsor reporting requirements.

Use of Subawards

A subaward is a contractual agreement utilized when a portion of work benefitting an NSHE sponsored project is allocated to an external entity, i.e., a subrecipient. The subaward is entered into by NSHE and the subrecipient and sets forth the terms and conditions for the subrecipient's proposed project work. The subrecipient is generally responsible for complying with the same prime award terms and conditions applicable to NSHE. A subaward typically includes (but is not limited to) the following:

- Subaward amount for subrecipient's proposed work
- Subaward period of performance (start and end dates for subrecipient work)

- Prime award terms and conditions that are required to be passed down to subrecipient
- Subrecipient's statement of work and corresponding itemized budget
- Payment schedule for subrecipient's project work
- Subrecipient reporting requirements and frequency

Subrecipient vs. contractor

In general, a subrecipient has responsibilities to further the objectives of the sponsored project and to make project related decisions when necessary whereas a contractor has a procurement relationship to the prime award recipient and provides goods and services (per the entity's normal business operations) that are ancillary to the sponsored project. To elucidate the differences between a subrecipient and contractor, the table below lists the defining characteristics of each.

Subrecipient

- Carries out a project as opposed to providing goods/services to project
- Performance measured by whether project objectives were met
- Responsible for project related decision making
- Subject to applicable prime award terms and conditions
- Project work performed under a subaward agreement administered by NSHE SSPO
- F&A charged on the first \$25,000 of each subrecipient's cost (amount above \$25k not charged F&A)

Contractor

- Provides goods/services within normal business operations to many different purchasers and operates in a competitive business environment
- Goods/services provided are ancillary to the operation of the project
- Not subject to prime award terms and conditions
- Goods/services procured under a purchase order issued by the BCN Purchasing
- F&A charged on the full amount of each contractor's fee

Proposal stage: Subrecipient materials

Determination of a subrecipient typically occurs at the proposal stage. If a subrecipient will be part of a NSHE sponsored project proposal, materials will be required of the subrecipient. The principal investigator (PI/PD) works with a NSHE SSPO RA to collect any subrecipient materials. The materials required of the subrecipient depend upon whether or not they participate in the FDP Expanded Clearinghouse or are an NSHE institution. Check the [FDP Expanded Clearinghouse](#) to see if the subrecipient is a participant.

If the subrecipient participates in the FDP Expanded Clearinghouse or is an NSHE institution, the following materials will need to be provided to NSHE SSPO:

- Subrecipient's statement of work
- Annual and cumulative itemized budget for subrecipient's statement of work and budget justification signed by the authorized organization representative
- Any additional forms required by the sponsor such as current and pending support forms

If a non-NSHE subrecipient does not participate in the FDP Expanded Clearinghouse, the following material will need to be provided to NSHE SSPO:

- Subrecipient's statement of work
- Annual and cumulative itemized budget for subrecipient's statement of work and budget justification signed by the authorized organization representative
- Copy of subrecipient's indirect cost rate agreement if subrecipient's budget includes indirect costs*
- Completed and signed [Subrecipient Proposal Assurance Form](#)
- Any additional materials as required by the sponsor

*If subrecipient does not have a negotiated rate agreement, they shall receive the *de minimus* indirect cost rate of 10% pursuant to the [Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards \(Uniform Guidance\), §200.414](#) or another rate as negotiated with the subrecipient unless sponsor policy limits the indirect cost rate that can be used in the proposal budget.

Award stage: Subaward agreement

Once NSHE SSPO has received and processed the prime award from the sponsor, the subrecipient's subaward agreement can be issued.

A. Cost-reimbursable agreements vs. fixed amount agreements

Cost-reimbursable agreements provide for payment of [allowable costs](#) (as defined in the *Uniform Guidance*) incurred by the subrecipient to the extent prescribed in the agreement. Most subaward agreements will be cost-reimbursable.

Fixed amount agreements provide for a specific payment amount regardless of the actual costs incurred by the subrecipient under the agreement. Payment may be made in a lump sum at the end of the period of performance or in partial payments upon completion of certain milestones or deliverables. In some cases, fixed amount subawards may be appropriate. In the case of federal awards, fixed amount subawards are permissible only with the prior written approval of the prime sponsoring agency and may not exceed the Simplified Acquisition Threshold (currently \$150,000) as long as the agreement satisfies the requirements of the [Uniform Guidance §200.201](#).

If a subrecipient desires a fixed amount subaward agreement, this should be clearly communicated in the proposal so that any necessary approvals may be requested of the sponsoring agency.

B. Subaward agreement forms and other subrecipient information

In order to issue the subaward agreement, the RA may request the following information from the subrecipient:

- Indirect Cost Rate Agreement
- Audit Report

The RA will complete the [NSHE Risk Assessment](#) for each subaward. Low level risks require no action. Medium, High, or Extreme risk requires consultation with the NSHE SSPO Director and Post Award Manager.

C. Subaward agreement execution and issuing of supplier contract

After the subaward agreement has been signed by both NSHE SSPO and the subrecipient, the fully executed subaward agreement will be forwarded to the Post Award department along with a checklist. Post Award will create the supplier contract (SCON) for the amount of the subaward agreement in Workday and forward to the subrecipient. All subrecipient invoices submitted for payment of project expenses under the subaward agreement, must reference the SCON and will be paid against the terms and conditions of the supplier contract.

Post-award stage: subrecipient invoicing, monitoring, modifications and closeout

With the subaward agreement issued, the day-to-day administration of the subaward includes technical and financial monitoring, subaward modifications and the subaward closeout process. While much of the daily subaward administration is conducted by the NSHE SSPO Post Award department and RAs, the PI/PD has responsibilities as well.

A. Technical monitoring

The subaward agreement will contain the provisions for any progress reports and/or deliverables required of the subrecipient. The PI/PD is responsible for reviewing subrecipient progress reports and deliverables to ensure their acceptability.

B. Subrecipient invoicing and financial monitoring

The subrecipient shall invoice NSHE SSPO for completed project work as provided for in the subaward agreement. Invoices are sent to the NSHE SSPO Post Award department who will review invoices for compliance and appropriate backup. After the NSHE SSPO review of a subrecipient's invoice, the invoice is forwarded to the PI/PD for approval. By approving the invoice, the PI/PD certifies that all necessary progress reports and deliverables have been received and reviewed and that the subrecipient's invoiced expenditures appear to be reasonable. Upon receipt of the PI/PD's approval, NSHE SSPO will forward the invoice to UNR Accounts Payable for payment. PI/PDs may delegate approval of invoices to a designee, usually a RA, by completing

the [Invoice Approval Delegation](#) form. The RA will communicate sub-awardee expenditure and cost share status with the PI/PD not less than quarterly.

For multi-year subawards, the RA along with the Post Award Manager will complete the [Continuing Assessment Tool](#) mid-way through the project period, or should concerns arise about the subrecipients performance or invoicing.

C. Subaward modifications

On occasion, the need to modify a subaward agreement due to subrecipient changes in scope of work, personnel, budget, period of performance, etc. may arise. When such need arises, the subrecipient shall communicate the desired modifications to the PI/PD who will advise the assigned NSHE SSPO RA of the needed changes. Changes will be made via an amendment to the original subaward agreement, and the supplier contract will also be amended if necessary.

Subrecipient Monitoring Guidelines & Procedures

Nevada System of Higher Education (NSHE), Sponsored Programs and EPSCoR (NSHE SSPO) unit is responsible for the programmatic and financial monitoring of its sponsored awards and subrecipients. A subrecipient is a third-party organization performing a portion of NSHE research projects or other sponsored programs. The terms of NSHE-subrecipient relationships are documented in subaward agreements.

These guidelines and procedures are provided to assist responsible faculty and staff in ensuring that subrecipients conduct their portions of research projects or other sponsored programs in compliance with laws, regulations and terms and conditions of awards and subawards and that project costs incurred by subrecipients are reasonable and allowable.

Roles and Responsibilities

1. Principal Investigators (PIs) have primary responsibility for monitoring subrecipients to ensure compliance with federal regulations and both prime and subrecipient award terms and conditions.
2. NSHE SSPO has the responsibility for ensuring that NSHE's subrecipient monitoring procedures are compliant with federal and other applicable regulations and are consistent with sound business practices. NSHE SSPO will provide further training, monitoring and guidance in interpreting applicable regulations and subrecipient award terms and conditions, and in interpreting and executing these guidelines. NSHE SSPO research administrators review invoices from subrecipients and question expenditures if necessary and maintain documentation of monitoring efforts.

Federal Regulations

The federal regulations that describe subrecipient monitoring are general, but contain the following core elements of compliance:

- Advising subrecipients of all applicable federal laws and regulations, and all appropriate flow-down provisions from the prime agreement;
- The routine receipt and review of **Technical Performance Reports**;
- The routine **Review of Expenses-to-Budget**;
- The periodic performance of **On-site Visits**, or regular contact, if necessary;
- The option to perform "**audits**" if necessary;
- Review of audit reports filed by subrecipients and any audit findings;
- Review of **corrective actions** cited by subrecipients in response to their audit findings; and/or
- Consideration of sanctions on subrecipients in cases of continued inability or unwillingness to have required audits or to correct non-compliant actions.

The above list is not exhaustive of all compliance requirements. In addition to the general elements of compliance noted above, there may be additional sponsor- or program-specific requirements that mandate collecting and documenting other assurances during the course of the project.

Subrecipient Monitoring Guidelines

On an annual basis, NSHE SSPO research administrators will review all active subawards for which monitoring is mandated and inquire further into those that are deemed to require closer scrutiny based upon the risk assessment completed at the issuance of the subaward such as:

- Size of the subrecipient award. Large awards (for example with annual budgets >\$500K) would receive substantial and frequent review and monitoring; mid-sized awards (annual budget \$100K - \$500K) would receive proportionately less substantial and less frequent monitoring; smaller awards (<\$100K) would receive general review with the least frequent oversight;
- Award size relative to the subrecipient's sponsored research portfolio;
- Percentage passed through: the larger the percentage of program award passed through, the greater the need for subrecipient monitoring;
- Award complexity, sensitivity of the work and/or extensiveness of the governing regulations;
- Prior experience with the subrecipient, e.g. a new subrecipient, an inexperienced subrecipient, a history of non-compliance, having new personnel, or having new or substantially changed systems;
- Subrecipient location or for-profit status (remoteness from the state may mandate

more oversight); increased risk associated with some foreign and for-profit subrecipients dictates that they would merit a greater degree of review, evaluation and attention;

- Degree of external oversight by auditors or sponsoring agencies. Note that NSHE is obligated to monitor subrecipients of its federal awards, regardless of the subrecipients being subject to Uniform Guidance single audits; and
- Sophistication of the subrecipient's systems and administrative operations.

Upon identification of subrecipients that mandate closer scrutiny, based on the above review criteria, NSHE SSPO administration will take appropriate monitoring actions to ensure compliance with subaward performance, financial terms and conditions, and with all applicable federal rules and regulations. NSHE SSPO will coordinate communications with the pre- award offices at each campus.

In addition to routine monitoring procedures, NSHE SSPO research administrators will work with PIs and department administrators to establish channels of communication with subrecipients that require further scrutiny. In addition, subrecipients that are not subject to Uniform Guidance single audits may be asked to submit supporting documentation in the form of original receipts, copies of payroll records, audits, etc. if circumstances warrant.

Subrecipient Monitoring Procedures

Research administration staff and project directors should annually consider the following subrecipient monitoring procedures when appropriate:

- **Review of Technical Performance Reports** should be done on a timely basis by the PI. Any unusual or unforeseen items should be investigated, and documentation thereof should be retained in the department's files for ready access by regulators. In some cases, subaward terms may require specified deliverables in addition to, or in lieu of, technical reports.
- **Review of Invoices and Expenses-to-Budget** should be done for cost-reimbursement subawards. The subrecipient's invoices showing both current period and cumulative expenses-to-budget are generally required. NSHE SSPO research administrators should compare subrecipient invoices to established subaward budgets.
- **Clarification of Invoiced Charges** should be requested by NSHE SSPO research administrators for explanations of any unusual, miscellaneous, apparently excessive or other charges invoiced by the subrecipient. If the explanations are not sufficient to render a prudent judgment on the allowability of the cost, and the terms of the subaward permit, NSHE SSPO research administrators may request detailed justifications from subrecipients. NSHE SSPO research administrators may also periodically request, if the terms of the subaward permit, particularly from high-risk subrecipients detailed support for selected invoiced

charges to verify their appropriateness and reasonableness.

Examples of detailed justifications that may be requested from subrecipients include:

- Payroll records/data;
 - Details of incurred travel charges, stating the purpose, airfare, meals, ground transportation, unallowable costs, etc.;
 - Costs determined to be unallowable or unreasonable should be disallowed;
 - In circumstances where questionable costs remain unresolved, particularly when subaward terms do not permit requesting supporting documentation, it may become necessary to conduct a definitive audit of all or a portion of questionable costs. (See Audits below) In these cases, the NSHE SSPO will contact the campus for coordination of subsequent actions with the appropriate campus sponsored projects office/grants division.
-
- **On-site Visits** - are a discretionary monitoring procedure. On-site visits conducted by the PI to evaluate both compliance with the scientific objectives of the project and the appropriateness of the subrecipient's administrative systems, processes, and charges should be documented via correspondence, meeting notes, trip reports, etc. and retained on file.
 - **Audits** - discretionary audits of subrecipients are an acceptable monitoring procedure under federal regulations, and all of the SPO's cost-reimbursement. subrecipient agreements contain "right-to-audit" clauses.
 - **Review Uniform Guidance single audit reports on-line** – NSHE SSPO research administrative staff should have access to a current copy of the audit reports filed by subrecipients that expend \$750,000 or more of federal funds during the fiscal year and are subject to Uniform Guidance single audit requirements. In cases of continued inability or unwillingness of a subrecipient to have the required audits, NSHE SSPO may consider taking appropriate sanctions.
 - **When subrecipients have audit findings** – NSHE SSPO may consider issuing a management decision on audit findings, when appropriate, and evaluate subrecipient corrective actions cited in response to audit findings. Corrective actions cited by the subrecipient should be verified to ensure subrecipient compliance and may necessitate on-site monitoring. NSHE SSPO may also consider whether subrecipient audit findings necessitate adjustment of their own records.
 - **Subrecipients not subject to Uniform Guidance single audit requirements including foreign and for-profit entities** – Because the Uniform Guidance does not apply to foreign or for-profit subrecipients, NSHE SSPO may establish its own requirements, as necessary, to ensure compliance by such subrecipients. Contracts with foreign or for-profit subrecipients should describe applicable compliance requirements and responsibilities. Methods to assess compliance with federal subawards made to foreign or for-profit subrecipients may include pre-award audits or on-site monitoring.

Subaward Closing Procedure

The purpose of closing a subaward is to disencumber all outstanding funds, after the terms & conditions have been met and the expenditures have been processed. Unspent federal funds can be redistributed to other institutions, but unspent State Special Projects Match (SPM) subaward funds **cannot** be redistributed.

Every subaward issued must be officially closed utilizing the *Supplier Contract (SCON) for Subaward Closing Request Form*. An official closure form is required for all subawards, even if no funds remain on the subaward.

This form can be found at <P:\common\Forms\Subaward Forms> and is attached in the appendices.

The process to close a subaward is as follows:

1. The RA will complete the *Supplier Contract (SCON) for Subaward Closing Request Form* and email it to the Post Award department. For the closing process, a separate form must be used for each subaward issued under an award and by the end of the award, a form should be completed for every subaward, even those with a zero balance.
2. The Grants Administrator will verify that the information submitted on the closure form is correct when compared with the information available in Workday and AwardIt.
3. The Grants Administrator will verify that there are no outstanding invoices in Workday and will wait to close the SCON until all invoices have been processed.
4. After all invoices have been processed, the Grants Administrator will complete the steps in order to close the SCON in the following electronic formats:
 - a. AwardIt
 - i. Create a *SFFA Expenses* file entry to document the date and close-out request.
 - ii. Complete the subaward closing box by checking the *Close this PO* box and entering the Date Closed.
 - b. Checkbook (applicable only for awards pre-dating Workday) – If an unspent budget amount can be obligated to another subaward, reduce remaining budget for subaward to \$0.00 and add remaining funds to the unobligated/primary Budget – Sub-Awards line.
 - c. Workday - Supplier Contract (SCON)
 - i. Amend SCON as an Amendment Type – Change; Enter Date Closed
 - ii. Amendment number (i.e. Enter Sub-Award xx-xx – Closeout)
 - iii. Amendment description (i.e. Subaward xx-xx – Attach Closeout Documentation)

- iv. Upload the *Supplier Contract (SCON) for Subaward Closing Request Form* SCON and any additional supporting documentation to the SCON Attachments and submit
 - v. Perform Supplier Contract Action Supplier Contract → Close
- d. Workday (Award and Award Lines)
 - i. Update Award Lines as necessary
 - ii. Correct and move unused award amounts
 - iii. Budget amendment as needed
 - iv. Change Line Status to Complete
 - v. Update Award Line Notes
 - vi. Inactivate Grant Number
5. Once a subaward closing form has been processed and the SCON has been closed, then the subaward can only be re-opened by the Purchasing department.

Subawards/Supplier Contract (SCON)

A Supplier Contract (SCON) is created in Workday for every subaward in order to manage the original contract documentation, any modifications/amendments, and assign the contract amount, start/end dates, and usage (e.g. sub-awardee invoices).

Processing Sub-Award Supplier Contracts

1. In addition to completing the subaward documentation, the Research Administrator (RA) is responsible for completing the applicable sections of the Subaward Request Checklist, Steps 1 – 3a for either the F & A Eligible subawards or for Special Projects Match (SPM).
2. The completed subaward documentation and Subaward Request Checklist are provided to the NSHE SSPO Director via a hardcopy and an email. In addition, copies are saved to the P:\common\All Works Files\Subawards\Pending signature folder.
3. The Director reviews the subaward, forwards new/modification subaward documentation to the institution for signature(s), signs the subaward as the Authorized Signer on behalf of NSHE. The Director completes the Subaward Request Checklist - Mod Step 4 as applicable.
4. Once the subaward documents have been fully executed, the Director sends the Post Award department an email notification that the subaward is “Ready for Processing”.
5. The Post Award Manager initially reviews the fully executed contract, available budget and the Subaward Request Checklist. After review, the Post Award Manager completes the Subaward Request Checklist - Mod Step 5 as applicable. This may include entering the information into the *AwardIT* database, creating a unique grant number in Workday, etc., before forwarding the request to the Grants Administrator.

6. The Grants Administrator is responsible for completing the Subaward Request Checklist - Mod Step 6 and finalize any additional steps related to issuing/updating subawards. This includes the following:
 - a. Review new/modification subaward documentation and the prior completed steps on the Subaward Request Checklist.
 - b. Verify the information in *Award/IT* is correct and matches the documentation.
 - c. Performs Workday associated tasks:
 - i. Within the Award, correct/add Award Line(s) for subaward
 - ii. Create a Budget Amendment
 - iii. Create a Supplier Contract (SCON) for new subawards or amends SCON for modifications.
 - iv. For new subawards, maintain subaward and add subaward to the Billing Schedule
 - d. Update the *Award/IT* database subaward file with the SCON information.
 - e. Forward signed subaward to the Attachment 3B – Subrecipient Contacts (Administrative, Financial and Authorized Official) with detailed information on references for invoicing.

Note: Do not send this information to the Principal Investigator as they will be notified by their own Sponsored Projects when an award has been established at their institution.
7. The Post Award Manager is responsible for a final review of the steps completed by the Grants Administrator.

Transfer Budgets & Budget Modifications

A Budget Modification reflects the movement of budgeted funds for a designated purpose. Budget modifications are used throughout the year to request set up of the original award, revise the budget originally established at the beginning of the program/fiscal year or make modifications that occur throughout the life of the award (i.e. increments, changes to scope, etc.). It is necessary to process a budget modification when (1) adjusting income or expenditures in a "budgeted" ledger account or (2) when transferring funds to/from a "budgeted" ledger account.

Budget modifications are requested by the program staff or PI, and submitted by the RA. Budget modifications are then processed by Post Award department throughout the month and may be submitted at any time. There are restrictions to state accounts and moving of funds in the month of May and June of each fiscal year. Any state budget modifications received after the mandated cut-off date (est. April 15th) cannot be guaranteed to be processed. Budget modifications must be completed using the Sponsored Programs & EPSCoR Workday Budget Template.

Guidelines for transferring funds. Exceptions to these guidelines may apply.

- If increasing the overall funding of the award, an award document must be provided to Post Award department and an amendment to the award must be processed in Workday prior to completing a Budget Amendment;
- Must have sufficient funds to cover the transfer;
- Budgeted ledger accounts must not go into a deficit; and
- Ensure indirect costs (F&A) are calculated accordingly.

Calculate the F&A to double-check the new totals. F&A is figured on everything except those items outlined in the F&A Rate Agreement. Generally, the exceptions are Participant Support, Tuition, Capital Expenditures and Subaward expenditures in excess of \$25,000.

Note: (NSF) Participant Support normally cannot be modified without Project Officer's approval.

Financial Reporting and Cash Management

NSHE SSPO is responsible for the billing and collection of payments owed by federal and non-federal sponsors to NSHE, as well as submitting financial reports per the terms and conditions of an award to the sponsors.

Invoicing

The Grants Administrator requests reimbursements from sponsors via the method dictated by the sponsor. When the sponsor requires NSHE to invoice for payment or initiate a drawdown of funding, NSHE SSPO is responsible for preparing and sending the invoice in accordance with the terms of the agreement.

The Grants Administrator pulls the *Budget to Actuals (BTA) by Ledger Account* and the *Award Activity Reconciliation (V2) (AAR)* reports from Workday for the indicated month/period to invoice the sponsor. The Grants Administrator verifies the indirect costs calculations are correct and the totals are correctly calculated. The Grants Administrator puts together the internal worksheet for the designated sponsor for the month of drawdown request, providing the worksheet, the BTA, AAR, and any other relevant supporting documentation to the Post Award Manager for review.

The Post Award Manager reviews all of the supporting documentation package and initials/dates the internal worksheet.

The package is submitted to the Authorized Organizational Representative (AOR) for final review and signature.

Post Award receives the package back from the AOR and the Grants Administrator/Post Award Manager draws down funding via the sponsor's portal and/or invoices the sponsor for the funds.

The Grants Administrator/Post Award Manager then creates customer invoices in Workday indicating the amount of funding coming from a sponsor and the distribution of the funding towards the grant accounts. That information is then forwarded to the UNR Controllers Office to apply the funds when they are received. The Controller's Office notifies the Post Award Department when the funds have been received and the Post Award Department verifies all customer invoices have had funds properly applied to them. The Post Award Department attaches an electronic copy with all backup documentation to the award's *Award Tasks – Financial* task.

On a monthly basis, the research administrators must review their accounts through the front-end financial system, Workday to:

- Ensure that financial information accurately reflects the organization's activity; and
- Identify possible inaccuracies through a comparison of actual expenditures with the approved budgets.

Billing Types

NSHE collects money from federal and non-federal sponsors using one of the three methods:

- Drawing from an established line of credit (LOC draw);
- Submitting an invoice (cost reimbursable);
- Pre-paid activity.

Letter of Credit (LOC) Draw

Some federal agencies allow NSHE SSPO to request or "drawdown" an aggregate amount of actual costs incurred for multiple awards based on the *Budget to Actuals* report. Agencies such as the Department of Health and Human Services (DHHS); National Science Foundation (NSF) and Department of Energy (DOE) utilize this method.

- Drawdowns are done only by appropriate and authorized NSHE SSPO staff
- Funds are not drawn down in advance of actual expenditures (unless directed by the sponsoring agency)
- Drawdowns occur as close as possible to the actual expenditure of funds
- The amount drawn down should not exceed the actual expenditures
- Individual terms/conditions of agencies or specific awards will be followed as appropriate

Cost Reimbursable

Cost reimbursement is defined as "*a payment arrangement under which an awarding agency reimburses the provider for budgeted costs actually incurred in rendering the services specified*

in the agreement, up to the award amount.” Workday is utilized to track the financial management of an award and is used to generate reports for period expenditures and a cost reimbursable invoice is generated for the receipt of funds.

In addition, based on the sponsor’s requirements:

- sponsor-specific invoice/support templates may be required to request reimbursements
- supporting documents, such as copies of invoices, effort certification reports, etc. may be requested as support
- frequency and deadlines of reimbursement
- request must be submitted thru the sponsor’s electronic reporting system, such as Nevada Department of Education’s *ePage*

Invoicing - Sub-recipient Invoice Procedure

NSHE SSPO issues subawards to NSHE institutions and other third-party agencies (non-profit, nor-profit, universities, etc.) for performance of award-specific projects, scholarships, assistance with cost-sharing requirements, etc. These sub-awardees incur expenses related to the subawards, generally on a cost-reimbursable basis and depending on the specific terms of the subaward, will need to periodically invoice NSHE SSPO. Invoices from sub-awardees are expensed by NSHE SSPO, posted against the subawards and paid to the sub-awardee.

Invoices are received via the nshespo@nshe.nevada.edu email Inbox.

The Grants Administrator (GA) performs the following functions:

1. After receipt of sub-recipient invoices, record the invoice in current *FY Invoice Log* found @ <P:\common\All Works Files\Invoice Logs for Subs-Ops>.
2. Review the invoice for the following: The following information is ***required*** on every invoice:
 - i. Sub-Awardee Name
 - ii. NSHE Subaward Number
 - iii. Grant Number
 - iv. Supplier Contract Number (SCON)
 - v. Period of Performance (Check to be sure it falls within current dates)
 - vi. Amount Requested – Current and Cumulative Columns should be provided.
 - vii. Cost Share information (if applicable)
 - viii. Sub-Awardee Invoice Number – Note: FINAL invoices should be marked accordingly
 - ix. Current Date

- x. Signed and Dated Certification Statement (See *Invoicing – Certification Statement*)
- xi. Supporting documentation for invoice matches requested amount

Note: *The GA is responsible for returning invoices without this information back to the institution with general instructions for correcting the documentation.*

3. After a successful review, the GA enters the information into the “AwardIt” database and saves a pdf copy of the *SFFAInfoQ Report* and the institution’s invoice packet to the appropriate award in the Processed Invoices folders found at <P:\post-award\Processed Invoices>
4. Post the invoice in Checkbook (if applicable)
5. Perform the *Create Receipt* task in Workday and attaching the sub-awardee’s invoice, *SFFAInfoQ Report* and any additional required correspondence. The business process in Workday will route the receipt to the appropriate Research Administrator (RA) for their electronic approval.
6. Once the invoice is approved by the RA, the business process in Workday will route the invoice receipt to Accounts Payable to be paid.
7. The GA will periodically verify that the receipt has generated a Supplier Invoice, record the number in the Invoice Log and update Checkbook when applicable.

Invoicing - Certification Statement

Purpose of the procedure

The statement of certification by the institutional sponsored research office (SRO) is necessary to ensure compliance with institutional and agency policies regarding allowable and realistic costs.

Current procedure

NSHE SSPO will not accept invoices without a certification stating that the expenditures have been reviewed at the PI/campus level. An example of statement is listed below.

"In signing below, I approve payment of this invoice and attest that the charges appear reasonable, and progress to date on this project is satisfactory and in keeping with the statement of work."

"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject

me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)".

Along with the statement, it is required to have an authorized person to sign below the statement. If the statement and/or the signature is not included on invoices, NSHE SSPO will return them for signature and re-submission. Reimbursement will not occur until the certification is complete.

Effort Reporting Policy and Procedures

Effort reporting is the process of confirming that an employee's payroll distribution reflects a reasonable estimate of the employee's effort on all institutional activities.

Administration, staff, and students working on sponsored projects are required by federal law to report effort on sponsored projects on a systematic and reasonable allocation basis. This includes all permanent and some temporary employees, depending on their employment contract type.

Each individual working on a sponsored project is the primary person responsible for the timely and accurate completion of their own effort certification report. Principal Investigators (PI), supervisors and project administrators are equally responsible to be certain that every individual working on their sponsored project has completed an effort certification report. NSHE SSPO will assist in training and facilitating sponsored project management in order to enable the timely and accurate submission of effort reports. Additionally, your unit is responsible for informing sponsored programs of any new staff to ensure that employees receive the appropriate training for their specific role in the effort reporting system.

Effort is the proportion of time spent on any activity and is expressed as a percentage of an employee's total institutional activities.

Although effort is used to support salary charges to awards, effort describes how an individual spent their time, not how their salary was funded.

Effort is not based on a standard work week but rather a proportion of the total effort expended on all activities. (100% effort = time required to complete total institutional activities).

Effort Certification Process

Who Is Included in Effort Reporting?

All faculty and professional staff who have salary charges or effort commitments to externally sponsored research projects should complete effort reports. Classified employees and students should also complete reports if they are paid from sponsored projects. All of their effort should be certified regardless of how much time was devoted to sponsored projects.

Who Should Certify?

PIs, supervisors and/or project administrators and the individuals are required to approve/sign effort reports. If an individual or PI is not available to certify the effort report, an individual having direct firsthand knowledge of the employee's total effort, or suitable means of verification that the work was performed, may certify.

"Suitable means of verification" is a documented review of records in support of work performed. Some examples of these records might include calendars, teaching schedules, logbooks, or sponsor budgets. Other means of verification may also suffice, including emails attesting to effort devoted based upon either firsthand knowledge or a review of a suitable means of verification.

Certification Instructions

On a monthly basis, an effort report will be generated for all required employees whose compensation was charged in whole or in part to a sponsored project during the respective effort period. Effective July 2020, the Effort Certification process transitioned from a hard copy version for all professional employees to an Effort Certification process in Workday and effective March 2022, student workers were transitioned to an Effort Certification process in Workday. Hourly employees, Letters of Appointment (LOAs), and stipends are managed via the Personnel Activity Report (PAR).

Each month, the Grants Administrator will run the Effort Certification process in Workday for faculty, professionals, classified employees and student workers. These effort reports must be reviewed and certified by the supervisor first and then certified by an individual as outlined above. The effort reports will contain data indicating the percentages of the individual's institutional base salary that were allocated to sponsored project accounts and other institutional activities. Certifiers are expected to review the payroll distribution percentages on the effort report and to determine whether those percentages reasonably correspond to the percentages of the individual's actual effort on each project or activity, recognizing that within an academic setting, teaching, research, service, and administration are often inextricably intermingled. If salary percentages reflect the actual effort, the person (supervisor/certifier) reviewing the form should approve the report. The employee's approval in Workday is attesting to the following statement.

By submitting the certifying event, I understand that I am certifying I have reviewed the information on this report and certify that the proportion of payroll charged and/or cost shared to each project does not exceed the proportion of time worked on each project I understand that falsification of effort statements may result in potential disallowed costs, penalties and/or actions under the Federal False Claims Act.

For all other employment types, the Grants Administrator will send out notifications to employee's supervisor to process Personnel Activity Reports (PAR) each month. These effort reports must be completed, reviewed and certified by the employee and the supervisor. The effort reports will contain data indicating the percentages of the individual's institutional base salary that were allocated to sponsored project accounts and other institutional activities. These salary allocation percentages are not effort percentages; they are provided solely for informational purposes. If the percentages do not reasonably reflect the actual effort, corrections should be made to change the percentages to more accurately reflect actual effort performed.

Effort must total 100 percent (except in regards to cost share). If changes are made to the effort report, the changes must still add up to 100 percent. As a general rule, reasonable variances are expected. However, changes of 5 percent or more should be documented, and an appropriate salary cost transfer should occur. For a given sponsored project, the certifier should determine if the percentage of salary is appropriate and/or the effort commitment has been met. If so, it is appropriate for the individual to certify to the displayed percentages.

NOTE: When certifying their Personnel Activity Report effort for a reporting period, an employee will represent the following: *“I confirm that the distribution of activity represents a reasonable estimate of all work performed by me during the stated period.”*

When the supervisor approves, they attest the following: *“I confirm that I, as supervisor, Principal Investigator or other person, have first-hand knowledge of all work performed by the employee and the distribution of activity represents a reasonable estimate of all work performed during the stated period.”*

Effort reports are due by the 25th of each month. If required, follow-up is performed by NSHE SSPO until the report is received.

Upon termination of an employee contract, an effort report is required for close-out of personnel activity and the effort report should be signed prior to the employee’s departure or in the event the employee is unavailable a supervisor knowledgeable of the employee’s effort may sign on their behalf.

Recertifications and Salary Cost Transfers

Every effort should be made to minimize the need for retroactive salary cost transfers through the use of more effective financial planning at the time the project begins. Ongoing monitoring should also occur during each effort reporting period.

Retroactive salary cost transfers should be initiated within 90 days of the effective start or transfer date. In all cases, changes should be initiated prior to grant/contract termination. They must be initiated no later than 30 days prior to the final report deadline. If an exception to the 90-day rule is required, a memo with a clear justification must be sent to NSHE SSPO for approval. Departments are encouraged to assign employees to restricted accounts as soon as the level of effort is known so that retroactive transfers are kept to a minimum.

Only in rare circumstances will subsequent salary cost transfers be permitted once effort has been certified to for a given period.

Definitions

Committed Effort – Committed Effort is the amount of effort proposed in a sponsored project proposal or other project application that is accepted by a sponsor. Committed effort not paid by the sponsor is mandatory cost share and must be reported and met in the same manner as paid effort. Volunteered commitments in proposals become mandatory requirements at the time of award, regardless of whether cost sharing was required by the particular program. Key personnel must be careful to follow sponsor requirements regarding when the key personnel must notify the sponsor of significant changes in effort levels as defined by the sponsor.

Cost Shared Effort – Cost sharing represents the portion of the total project costs related to a sponsored agreement that is contributed by someone other than the sponsor. In most cases, the cost sharing of direct expenditures is borne by NSHE and consists of departmental or institutional resources that are redirected to the support of the sponsored project. There are three types of cost share:

Mandatory cost share is required by the Sponsor in the proposal stage.

Voluntarily Committed cost share is offered by the PI in the proposal stage and is accepted by the sponsor at the time of the award. Once it is accepted by the sponsor it is included in the sponsored project budget.

Voluntary Uncommitted cost share is activity which benefits the project but is paid by Institution.

Mandatory and Voluntary Committed cost share effort must be reported on the effort reports during the term in which the work was performed. The Federal Office of Management and Budget does not currently require reporting of Voluntary Uncommitted cost share.

Effort - Effort is the total activity or work for which an employee is compensated for all institutional activities regardless of number of hours worked.

Effort Reports

These reports are prepared for personnel who are paid from grant accounts/projects or for voluntary cost share commitments. Reports certify the amount of time spent on a particular program. Remember that no one can work over 100 Percent. These reports should be kept by NSHE SSPO until the project has expired and the 3-year record retention period, after the final reports and financials have been submitted, and has expired. Effort Certification Status reports are also housed in Workday and Personnel Activity reports are managed by NSHE SSPO.

Costing Allocation – An employee's costing allocation delineating the amount of salary charged to each account is completed by a hiring unit for new hires and any changes to pay status.

Sponsor – A sponsor is any entity providing external funding for research, scholarly and/or other activities.

Indirect Cost Reimbursement

Current [Facilities & Administration \(F&A\) agreements](#) for all of the NSHE institutions are stored on System Administration's share drive. Post Award is responsible to contact the institutions for their most recent agreement. Compare current F&A agreements to proposals to verify calculation for F&A rate on awards. NSHE follows the requirements in [OMB Uniform Guidance Title 2, Subtitle A, Chapter II, Part 200.414](#) as it relates to F&A.

If an award restricts facilities and administration costs, then the lower of the two must be used. Indirect cost reimbursement on a training grant is limited to the recipient's actual indirect costs, as determined in its negotiated indirect cost rate agreement, or eight percent of a modified total direct cost base (MTDC), whichever amount is less.

Upon award set-up in Workday, the Facilities and Administration Rate Agreement will be reviewed and verified by the Post Award department in addition to creating basis limits, where applicable.

For the purposes of this section, a MTDC base consists of total direct costs minus the following: the amount of each subaward in excess of \$25,000, tuition and related fees, equipment costing over \$5,000 and participant support. MTDC is listed on the negotiated indirect cost agreement as well.

When setting up grants with a MTDC base, do not include F&A on ledger accounts/object codes:

- a) Participant Support (NSF Awards) - Check with the Research Administrator and award documents for restrictions on this object code.
- b) Subawards over \$25,000.00
- c) Tuition & fees
- d) Scholarships and fellowships
- e) Equipment
- f) Patient care charges
- g) Rental costs

Cost Share Reporting Procedure

NSHE State Project Match (SPM) funds, among other expenditures, can be used for cost share/matching funds. This information can be obtained from the Post Award department who monitors the State Project Match Funds or by looking up the SPM Award in Workday.

Institutional match may be utilized as a cost share/match if it was authorized by the sponsor. Match items may include actual expenditures, personnel time and effort, space utilized, etc. In some circumstances unrecoverable F&A may also be used for cost share if authorized by the sponsor. Institution grants/sponsored projects/programs offices are responsible for tracking and reporting their campus cost share/match amount as well as providing documentation (i.e. receipts, time sheets, square footage calculations, etc.) to support reported cost share/match amounts.

Cost share/match amounts should be regularly reported on invoices received from sub-recipients. Amounts are tracked by the Post Award department as invoices are received and recorded in the *AwardIt* database for each subaward. Cost share/match data from *AwardIt* is available upon request. Project Directors/Research Administrators shall routinely follow-up with the campus PIs to ensure compliance with their obligations.

Additional cost share/match information such as time and effort from administration support and other System Administration resources may be provided by the Research Administrators, again based on sponsor approval. Post Award is responsible for collecting, tracking and providing reports as needed for cost share based on the individual award requirements.

Fiscal Year Expiration / Sunset Funds

State Projects Match funds are issued for one plus two additional fiscal years. Due to the last year, or sunset year, these funds may not be issued past May 31th of the last fiscal year.

Verbiage is generally included in the Nevada System of Higher Education Subaward Agreement State Funds, Attachment 1 Scope of Work and Budget regarding sunsetting funds. (e.g. *“These funds will sunset FY202x (05/31/20xx; final invoice - including reported institutional cost share - must be submitted by 06/15/20xx)”*)

Emails to the institution with sunsetting funds should be sent by the Research Administrator six months and three months prior to remind them that the funds will sunset, and again at 60 days prior to expiration to request final invoices no later than June 15th. Funds may not be reimbursed if final invoices are received after June 15th unless an exception is approved by the Post Award Manager and the Director.

Technical Reporting Policy - Grants Administration

Sponsored project award provisions include reporting requirements for the project. Typical requirements for federal grants and contracts include periodic progress reports and a final technical report due ninety days or as indicated otherwise in the sponsor’s terms and conditions after the completion of the project. In all cases, follow the specific guidelines provided by the sponsor.

PIs on sponsored projects are responsible for the management of sponsored activities. As part of that responsibility, they are required to understand and comply with technical reporting requirements associated with their awards.

For sponsored projects awarded to NSHE System Administration, NSHE SSPO provides oversight, coordination, and assistance to PIs regarding notification, preparation, and submission of required reports. For large collaborative projects involving subawards to other NSHE institutions, NSHE SSPO is responsible for the coordination of roll-up reporting and submission as prime awardee.

The RA should send technical/progress reports to the Post Award department to load into the Workday award attachments section, so they are readily available for internal use and auditor review.

Award Close-Out Procedure

A sponsored project ends upon the project end date as indicated by the award terms and conditions. Below are activities that require review leading up to and including the award closeout process.

Account Expenditures

- Reconcile account expenditures (expenses incurred beyond the project end date are not allowable).
- Encumbrances are to be processed and/or released by the project end date or within the closeout period as determined by the award terms and conditions.

Cost Share (if applicable)

- Report and reconcile required cost share.

Equipment/Property greater than \$5,000 (if applicable)

- Reconcile any government-owned property or project purchased equipment.
- NSHE SSPO will submit the final equipment/property reports to the sponsor.

Patents and Inventions (if applicable)

- Reconcile any project patents or inventions
- NSHE SSPO will submit the final equipment/property reports to the sponsor

Final Reports

- Final progress/technical reports: The RA will submit to the sponsor per the terms and conditions of the award and provide an electronic copy to NSHE SSPO to be added to the Workday award file.
- Financial reports: NSHE SSPO Post Award will prepare/submit all final financial reports to the sponsor per the terms and conditions of the award, via the method prescribed by the sponsor and maintain electronic copies in the Workday award file.

Leading up to and initiating the close-out of an award, the Research Administrator (RA) utilizes the *NSHE SPO Award Close-Out Checklist* found at P:\common\Forms\Close Out to address the activities for review. A checklist must be completed for every award.

The RA is responsible for: managing any no cost extensions; correspondence with sub-awardees for obtain final invoices and final program related reports; reviewing final expenditures and disencumbering any other remaining obligations; addressing final budgeting requirements; verifying cost share requirements (if applicable) have been met; completion of Supplier Contract (SCON) for Subaward Closing Request Form; providing electronic documents to Post Award of all closing related documentation; and submission of the close-out checklist to Post Award.

Post Award is responsible for: ensuring final invoices from sub-awardees have been received and processed; verify final expenditures and that there are no remaining encumbrances; verify F&A calculations/charges; verify effort certifications; close-out all SCONs; verify submission/receipt of all final fund drawdowns; submit all final financial reporting requirements to the sponsors; verify all close-out documents have been received and added to the Workday award files; and complete the steps to close the award in Workday using the Workday [Award Closeout - Job Aid](#).

A sponsored project is closed after the above requirements are completed and all funds invoiced have been received from the sponsor.

Destruction of Sponsored Records

Destruction of federal grants/cooperative agreements/contracts records should take place no sooner than three years (unless otherwise stated) after the required report(s), which include the financial/technical/project reports, have been submitted and accepted by the sponsoring agency. At this time:

- Verify that the cost share (if any) information is accurate;
- Verify that all funds invoiced to the funding agency have been verified and received by going to the Workday financial system and cross checking;
- Ensure final financial reports have been submitted; and
- Ensure all Privacy Act, Freedom of Information Act and/or *For Official Use Only* material, if any, are properly destroyed.

Record Retention

All records relating to an award, such as financial, statistical, supporting, etc. must be retained for a period of three years from the date of submission of the final report of expenditures, final financial report or any other required report. For awards that are renewed periodically, the records must be retained for three years from the date of the submission of the last periodic financial report as required by the sponsor. If a sponsor requires a longer period of retention, then that period must be followed.

Exemptions

Exemptions: 1) If prior to the end date, there is any litigation, claim, or audit, the records must be retained until all litigation, claim, or audit findings are resolved and final action is taken; 2) for real property and equipment acquired with federal funds, records must be retained for three years after final disposition; 3) the three-year requirement does not apply to the recipient when records are transferred to or maintained by a federal awarding agency.

Copies may be substituted for originals if authorized by the federal awarding agency. For more information, refer to Uniform Guidance 200.335 [Title 2, Subtitle A, Chapter II, Part 200, Subpart D, record Retention and Access](#). When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.

General Administration

Purchase Orders

Processing a Purchase Order (PO) for Services/Purchases

A. General

The purchase order (PO) initiates a contract by legally accepting the offer made by the supplier. In Workday, POs are initiated through submission of an approved, online requisition. The Workday requisition is used to request purchases of all goods (commodities and equipment) and services through the Purchasing Department. It provides the cost center(s) to be charged, obtains the approvals for the request to purchase, and provides needed information such as item descriptions, quantity, delivery instructions, and desired delivery date. Complete and correct preparation of the requisition expedites the purchasing process.

B. Purchase Requisition - General Instructions

1. The purchase of needed equipment, materials, or services from off-campus sources shall be initiated in Workday using:
 - a. Ad-Hoc Goods and Services Requisition in Workday for those items not available in a NSHE Catalog or Punchout. Also used for the creation of Blanket Purchase Orders.
 - b. Workday Supplier Punchouts that connect directly to a supplier's website, creates the requisition in Workday, and issues the Purchase Order electronically directly to the supplier, or
 - c. NSHE Catalog Requisition for those line items entered in Workday by Purchasing,
2. Contracted suppliers of goods and services can be found on the [BCN Purchasing website](#) under *For Faculty & Staff - Preferred Contracted Suppliers and/or Co-Operative Buying Organizations*. Purchases from contracted suppliers is recommended and encouraged, and will provide discounted pricing, contracted terms and established service levels.

All vendors must be registered in the NSHE supplier database before a requisition can be completed. See <https://suppliers.nevada.edu/>

All requisitions for purchase orders must follow [NSHE BCN Purchasing](#) guidelines. See the [Purchasing Manual](#) for procurement dollar threshold limits which require bids. Any deviation from the purchase dollar thresholds requires a [Competitive Exception form](#).

Reminder: POs are for vendors/business and ICAs are for individuals/sole proprietor. See the policy section entitled Independent Contractors and/or Honorariums for additional guidance.

Credit Cards (P-Cards) Procedure

Credit Card Billing

Employee business credit cards, or (P-cards) are issued upon assignment of a project or for general office administration. Needs are established when the employees have awards which require them to purchase goods and services, travel, set-up meetings, etc. When the card is used, the employee is required to produce a copy of the tax-exempt letter to the retailer. For any point-of-sale charges, the employee is required to obtain an original receipt. For phone and online purchases an email copy of a receipt/invoice is required showing vendor name, date of purchase, item(s) purchased, etc.

Direct purchases of tangible personal property made by the Nevada System of Higher Education are exempt from sales/use tax. It is the cardholder's responsibility to verify sales/use tax is not applied to purchases. Provide a copy of [NSHE's Tax Exempt letter](#) from the State of Nevada Department of Taxation to vendors prior to completing a purchase.

NSHE's State of Nevada Department of Taxation identification is: **#RCE-000-441**

The tax exemption is ONLY allowed for business purposes, and under no circumstances is allowed for personal use.

Credit Card Purchases

NSHE follows the [UNR Pcard policy](#).

Credit card receipts should be coded in Workday within 10 days of the charge. Expenses must be coded with a spend category, grant or program account number, and additional worktags as required. A business purpose must be included. All backup documentation required for the charge must be accompanied with the receipt (i.e. Hosting – approved hosting form, agenda, sign in sheet; Registration or Travel must include all applicable documents). Load all receipts and attachments in Workday.

Ordering Office Supplies

On or about the last Monday of each month, the Grants Administrator will send out a call for office supply requests to the staff. Use the OfficeMax catalog <https://www.officedepot.com/> to identify supply needs. Generally, prices will be lower than shown in the catalog based on the current OfficeMax contract pricing. Supplies may also be ordered from Amazon Business at business.amazon.com.

Complete your request for supplies via an email to the Grants Administrator, providing the item number, brief description of item, quantity, price and the account number to charge the expense to.

Supplies are ordered using an on-line ordering system.

Supplies generally come the next day. Orders can not be sent to private residences.

Purchases will be initiated by the Grants Administrator via the Purchasing Card (P-Card).

It is the Grants Administrator's responsibility to complete the P-Card verification in Workday with the appropriate account information and supporting documentation (i.e. OfficeMax invoice, etc.). Supplies currently default to the *Program: PG00829 Icr-Nshe Spo F&A* account. If ordering supplies for a major program, you may be authorized to charge these supplies to the award. If in doubt how to apply charges, contact the RA. If still in doubt, do not apply these charges to the award but charge to the F&A account.

Independent Contractors and/or Honorariums

All independent contractors must be registered in the [NSHE Payment Registration](#) database **before** their contracted work time begins.

Once registered as a vendor, the vendor must complete an Independent Contractor Agreement (ICA) form available at [P:\common\Forms\ICA_PP_Speaker](#). An abbreviated version is available for Guest Speakers. In Workday, the PI, Research Administrator or other authorized individual (originators) will create a requisition for the Independent Contractor. The completed ICA agreement must be loaded as an attachment to the Workday requisition. Once the requisition has gone thru the business process approvals, a purchase order (PO) will be created and automatically sent to the independent contractor and the originator.

If an independent contractor is traveling, they must follow the [NSHE Travel policies](#) for allowable travel limits and expenses. Receipts are required and must be included with the invoice requesting reimbursement for the travel.

Make one inclusive payment to a consultant if the period is for a limited period (i.e. reviewer). If you have a monthly payment schedule, then you will need to ensure payment and receipt of invoice is received in a timely manner.

Reminder: If a former NSHE employee is applying to be an independent contractor, contact the UNR Controller's office prior to the issuance of a contract and confirm their eligibility before work begins. If the independent contractor is a foreign national, contact the UNR Controller's office to determine tax and eligibility issues.

Independent Contractor Agreement Updating Procedure:

To increase the amount for services or extend the date for an Independent Contractor Agreement, the originator needs to complete the entitled form, [ICA Memo](#), complete an Amended Contract for Services of Independent Contractor (if applicable) and send an email to the current Buyer and ICA manager at UNR.

Close-out

After an independent contractor has been paid, the purchase order should be closed by the RA by emailing the Buyer who issued the PO.

Equipment and Real Property Management

Equipment and inventory policies of Business Center North (BCN) Purchasing govern acquisition, inventory, and disposition of equipment.

[BCN Purchasing Guidelines](#) establishes uniform policies and procedures for the acquisition of commodities, contractual service and construction.

Equipment purchased by NSHE campuses with funds sub-awarded becomes the campus' responsibility and should be inventoried on their inventory lists. NSHE SSPO will not provide oversight, with the exception of sub-recipient monitoring, on inventories conducted at these campuses.

Inventory is conducted according to [BCN Equipment Inventory Policy and Procedures](#). The inventory is initiated by BCN Purchasing's Asset Management unit. Annually they will submit an equipment listing to the responsible agency/office. The listing is verified and any deviations are explained and returned.

NSHE System Administration, to include SCS and NSHE SSPO, is responsible for maintaining their equipment list as well as having primary control over inventories. The Grants Administrator will maintain the listing of the inventoriable equipment, perform an annual inventory and coordinate steps/documentation related to any transfers, loss, theft and/or surplus of any equipment.

APPENDICES

[Budget Mod Template](#)

[Closeout Checklist\(s\)](#)

[Conflict of Interest/Compensated Outside Services Disclosure Form](#)

[Effort Reporting Form](#)

[Federal Subrecipient Questionnaire](#)

[Guest Speaker Form](#)

[Host Form](#)

[Independent Contractor Form](#)

[Inventions Statement and Certification for Subrecipients](#)

[Invoice Approval Delegation](#)

[Proposal Routing Form](#)

[Memo Request](#)

[Subaward Checklists](#)

[Subaward Closing Form](#)

[Subaward Templates](#)

[Subaward Vs. Vendor Vs. Consultant Checklist](#)

[Subrecipient Monitoring Site Visit Letter](#)

[Subrecipient Proposal Assurance](#)

[Subrecipient Risk Assessment](#)