Grants Administration Manual

OPAA
Self-study modules and resources for employees that administer grant funds for the Business Centers.

Business Affairs
Oregon State University
October 2012
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Module 1

Allowable/Unallowable Costs

Review the following documents and policies:
• OMB Circular A-21 – exclude section J-10; include Appendix A: Cost Accounting Standards.
• FIS 409: Determine What Account Code to Use
• Demystifying Account Codes (found on the Business Affairs website, Business Center Resources page, Training tab – you can review the PowerPoint and/or the video)
• FIS 410: Expenditure Types – exclude section 410-32

Managing Audits

Review the following policy:
• GCG 401: OMB Circular A-133 Audits

OMB Circular A-133

Definition
The OMB Circular A-133 sets standards for obtaining consistency amongst Federal agencies for the audit of non-Federal entities, including requirements for grantees that administer federal awards. The rules are applied whether the award is received directly or from pass through entities. It does not apply to non-US based entities.

Audit Compliance
• The Single Audit Act - a cost effective audit that includes the entity’s financial statements and federal awards.
• Federal awarding agencies must rely on the single audit. Any additional audits must build on work already performed by auditors. The federal agency must cover the full cost of any additional audits.
• An organization wide audit is required if expenditures on federal awards are more than $500,000 annually, this includes financial aid, grants, and loans.
• The cost of an A-133 audit is allowed as an F&A charge, if an institution is subject to the circular.
• Risk based audit approach by major program (CFDA code).
• The audit must be performed in accordance with Government Auditing Standards.
• Covers all operations, including financial statements and Schedule of Expenditures of Federal awards.
• Important to make distinction between vendors and subrecipients; subrecipients are subject to A-133 while vendors are not.
  – See Subcontract section to determine if it is a subaward or a procurement.
• Audit findings may include questioned program costs. Any disallowed costs must be refunded.
• If the auditee is a subrecipient, a copy of the audit report must be submitted to pass through entities, if there were any findings.
• If no findings, notification to the pass through entity of the audit completion is sufficient.
• Auditee is responsible for preparing a corrective action plan, taking corrective actions on audit findings and reporting the status of corrective actions in subsequent reports
What is audited:
• Compliance with Regulations:
  – Allowable costs and activities
  – Cash management issues
  – Cost sharing requirements
  – Financial and technical reporting

Audit Considerations:
• Audit reports are public record.
• Audit results are maintained by the Federal Audit Clearinghouse.
• The Clearinghouse is the central collection point, repository and distribution center for single audit reports.

Areas that may be reviewed include:
• Cost Sharing
• Equipment
• Budget Revisions
• Transactions within dates of award
• F&A rate applied
• Student timesheets signed
• Reports required and dates submitted
• Subcontracts
• Program Income
• Tuition remissions
• Effort reporting documentation
• Recharge (service) centers

Agency Specific

Definition
The award agency audits a specific project through a site review or during the close out of the award. The audit may be completed by the award agency, the office of the Inspector General, a cognizant audit agency, or an independent contracted audit firm.

Audit Compliance
What is audited:
• Internal Controls –
  – Effectiveness and efficiency of operations.
  – Reliability of financial reporting; transactions properly recorded and accounted for.
  – Compliance with applicable laws and regulations.
  – Funds, property and other assets are safeguarded against loss from unauthorized use or disposition.
Preparing for the Audit

**OPAA Responsibilities**
- Get details of the audit scope, in advance
- Review all files that are selected
- Pull all relevant documents; may need help from Business Center staff
- Meet with PI’s and accounting staff
- Gather policies and handbooks
- Be prepared and organized!

The single audit report will include:
- The financial statements
- A Schedule of Expenditures of Federal awards (SEFA)
- Auditor’s opinions on fair presentation
- Auditor’s report on internal controls and compliance
- Auditor’s schedule of findings and questioned costs

**Management Responsibility After the Audit**
- Evaluate audit findings
- Create corrective action plan, if needed; may require cooperation with Business Center management
- Issue a written decision as to what corrective action will be taken
- Retain summary schedule of prior audit findings and completed corrective action plans

**DHHS Office of Inspector General Work Plan**


**Purpose of the Work Plan**
- Identifies vulnerabilities of DHHS programs
- Promotes improvement, efficiency and effectiveness
- Dynamic, year-round process
- Priorities shift according to Congress, the President, and the Secretary
- Don’t duplicate previously completed studies
- Identify and evaluate audits, and inspections
- Determine effectiveness of management actions to correct deficiencies

**OIG Activities**
- Program audits
  - Financial and performance
  - Are objectives being achieved?
  - Are programs performed efficiently?
  - Identification of system weaknesses
  - Fraud, waste or abuse
- Program Inspections
  - Program and management evaluations.
  - Focus on specific areas of concern: Department, Congress, or Public
Focus on programs with significant expenditures
Results offer specific improvement recommendations

• Investigations
  – Fraud and/or misconduct suspected
  – Concentrate on criminal investigations
  – Identify systemic weaknesses
  – Recommend corrective management action
  – Recommend regulations and legislation
  – Pursue criminal convictions
  – Recover damages and assess penalties
  – Conduct civil and administrative proceedings

• Legal Counsel
  – Judicial and administrative resolution of fraud and abuse
  – Litigation
  – Develops voluntary compliance program guidance
  – Issues special public fraud alerts
  – Provides legal services to OIG
  – Impose administrative sanctions including program exclusions or monetary penalties

Cost Transfers

Review the following policies:
• **GCG 209-08**: Cost Transfers
• **FIS 1107**: Journal Vouchers

Reasons to Transfer Costs
• Appropriate reasons to transfer costs:
  – Unallowable costs
  – Correction of error
  – Expenses benefit more than one program (equitable distribution)
  – Closely related projects

Documentation
All Cost Transfers must be supported by documentation that certifies the correctness of the transfer. The documentation must provide the reviewer with a clear purpose as to why the transfer is being made.

Types of documentation include: Transaction Detail Reports, Banner Reports, Data Warehouse Reports, and other documents, such as specific e-mails, word documents, or excel documents.

Documentation must also be clearly labeled, should be understandable to the reviewer, and must include one of the following approvals:
• E-mail from PI approving or confirming change
• Written request for change from PI
• Detail report signed by PI, that includes correction

Processing
Transfers should be processed in accordance with institutional policies as well as award terms and conditions.
High Risk Monitoring (HRM) Program

The High Risk Monitoring program was implemented based on recommendations received from the Internal Audit division. It provides continuous monitoring over “high-risk” areas as determined by the OIG.

Process
A random sample of 10-20% of transactions considered high-risk are reviewed. The transactions are reviewed to ensure compliance with OSU and OMB policies and to determine that necessary documentation is available upon request. The results are reported at the University level and departmental level yearly.

High Risk Areas – Audit Points

Foreign Travel
• Foreign Travel Authorization Form
• Is Authorization obtained before travel
• Is Foreign Travel budgeted or authorized by granting Agency
• Is Fly America Act followed
• Itinerary showing Airline used for travel
• Fly America Act Waiver (if necessary)

Cost Transfers
• Reason for Cost Transfer
• Appropriate JV Text
• Timeliness of Cost Transfers
• Written request for transfer (e-mail or hand written from PI)
• Banner or DW transaction detail reports showing necessary changes signed by PI
• Original Invoices showing appropriate Index if transfer is due to error in input

Effort Reporting (PAR Forms)
• Effort reported equals effort charged to grant
• University Policies for Effort Reporting are being followed (including deadlines)
• Labor Distribution Forms
• PYAREDS print outs
• Job Forms

Purchasing Cards
• Charges are allowable and made by “authorized” personnel
• List of “Authorized Purchasing Card Users” (obtained from FA&A)
• Visa Purchasing Card Activity Log
• Receipts for Purchase
• Copy of Signed Bank Statement

Auto Pay Transactions
• Charges are allowable
• Charges made by Authorized Personnel
• Original Receipts
Allowable and Unallowable Charges

• Certain expenses are not allowed on grants/contracts.
• Quarterly review of all grants to determine if unallowable charges are on grants (Scrubbing)
• In depth reviews are made based on types of charges
  – Telecom charges
  – F&A costs, including administrative salaries
  – Office supplies
  – Postage
• Review Budget to determine if charge is included
• Review Proposal/Grant for authorization of charge
• Authorization from Agency given for charge to grant
• Authorization from OPAA for charge to grant

Travel

Review the following policies:
• Federal Acquisition Regulation (FAR) Air Transportation
• GCG: 209-09: Fly America Act
• GCG: 209-09, Exhibit 2: Fly America Waiver Procedures and Form

Module 1 Assignments

After reviewing the documentation and policies for Module 1, you must complete the quiz available in Blackboard.
Module 2

Review the following policies and documents:
- OMB Circular A-110 – exclude section C23
- OMB Circular A-133
- Grant, Contract, and Gift Accounting Manual

Grant Life Cycle

Lifecycle of a Proposal/Award

Review the following policies:
- GCG 201-01: Award Overview and Responsibilities
- GCG 201-02: Award Overview and Responsibilities
- GCG 301: Closeout of Award Responsibilities
- GCG 302: Closeout
  - GCG 302-01: Closing Fixed-Price Grants
  - GCG 302-02: Equipment Closeout
  - GCG 302-03: Record Retention
## Research Administration Responsibilities

### Shared Research Administration Responsibilities: Office of Sponsored Programs (pre-award) and Office of Post Award Administration (post-award)


<table>
<thead>
<tr>
<th>Task</th>
<th>Responsibility:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determine whether proposal is research, research training or other sponsored activity</td>
<td>OSP  OPAA Other</td>
</tr>
<tr>
<td>Approve proposals on behalf of OSU</td>
<td>X</td>
</tr>
<tr>
<td>Approve revised budgets</td>
<td>X</td>
</tr>
<tr>
<td>Approve PI changes</td>
<td>X</td>
</tr>
<tr>
<td>Approve transfers into OSU</td>
<td>X</td>
</tr>
<tr>
<td>Approve transfers out of OSU</td>
<td>X*</td>
</tr>
<tr>
<td>Approve requests for change in scope</td>
<td>X</td>
</tr>
<tr>
<td>Approve Editorships and Service/Testing Agreements</td>
<td>PaCS (Bus. Ser.)</td>
</tr>
<tr>
<td>Accept awards on behalf of OSU</td>
<td>X</td>
</tr>
<tr>
<td>Negotiate awards</td>
<td>X</td>
</tr>
<tr>
<td>Write and negotiate subawards</td>
<td>X</td>
</tr>
<tr>
<td>Review and approve subawardee invoices</td>
<td>X</td>
</tr>
<tr>
<td>Negotiate and approve confidentiality agreements*</td>
<td>X**</td>
</tr>
<tr>
<td>Negotiate and approve material transfer agreements</td>
<td>Tech. Transfer</td>
</tr>
<tr>
<td>Set up awards</td>
<td>X</td>
</tr>
<tr>
<td>Approve rebudgeting</td>
<td>X*</td>
</tr>
<tr>
<td>Approve no-cost extensions</td>
<td>X*</td>
</tr>
<tr>
<td>Confirm that cost sharing (if specifically listed in award) matches proposed amount</td>
<td>X3 X4</td>
</tr>
<tr>
<td>Confirming on-campus/off-campus status of leased buildings</td>
<td>Fin. Analysis (Bus. Aff.)</td>
</tr>
<tr>
<td>Significant Changes in Effort</td>
<td>X</td>
</tr>
</tbody>
</table>

* May also involve counter-signature by OSP

**This function is shared with Tech. Transfer; depends if confidentiality agreement relates to a proposal

1. Approval of award rebudgeting within the F&A category would also be included here
2. Some sponsors require a signature by OSP on formal agreement modifications
3. Applies when award requires an acceptance signature
4. Applies when award does not require an acceptance signature
Expanded Authority

Review the following documents and policies:
• GCG 103: Expanded Authority
• No Cost Extensions – OPAS
• Pre-Award and Pending - OPAS

Additional Tools and Resources

OUS Fiscal Policy Manual – Section 2: Account Codes
GCG 404: Grant Related FIS Data Warehouse
Frequently Asked Questions
Grants Closeout Check Off Sheet

Module 2 Assignment

After reviewing the documentation and policies for Module 2, you must complete the quiz available in Blackboard.
Module 3

Review the following policies and documents:
- Disclosure Statement DS-2
- FIS 900: Facilities and Administration (F&A) Rate Calculation
- OMB Circular A-21 Section J-10: Personal Activity Reporting
- OMB Circular A-110 Section C23: Cost Share

Cost Share

Definition
Cost share is the portion of a project or program cost that is not reimbursed by the sponsor. Mandatory cost share is required as a condition of the award; voluntary cost share may be offered by the institution in excess of any mandatory requirements.

Note: Once an award is made, all cost share commitments are considered mandatory and represent a binding obligation by the University.

Tracking
Mandatory and voluntary committed cost sharing must be monitored, verified, and included in the F&A rate calculation. It will lower the F&A rate and decreases recovery of F&A revenue.

Voluntary uncommitted cost sharing does not have to be included in the F&A rate. Voluntary uncommitted cost sharing includes effort put forth by a PI or senior researcher on a project that was not pledged in the proposal or required by the award (e.g. the PI committed 5% effort, but actually devoted 20%, the difference is considered voluntary uncommitted cost sharing).

Types of Cost Share
- Salaries and OPE
- Services and Supplies
- F&A Costs (Indirect Costs)
- Graduate Fee Remissions – use 10632 Account code
- Non-OSU (In Kind or Third Party)
- Equipment
- Volunteer Services
  - Necessary and integral part of project
- Donated Supplies
  - Must be reasonable and at fair market value

Requirements
- Effort 5% or more not covered by the sponsor is considered cost sharing
- OSU cost share must be documented on the proposal transmittal form
- Third party commitment must have letter or email from source

For a cost to be allowable as cost sharing it must meet the requirements of a direct charge to a sponsor (reasonable, allowable, and allocable) and it must be necessary for the project.
For cases where cost sharing is not required as a condition of the award or mandated by the University and less than 5% of an individual’s total effort is expected to be contributed to the project, the Principal Investigator can use the following statement in their budget justification:

Oregon State University assures that the faculty member will make a contribution to this project but that the expected level of effort is not a significant portion of the individual's overall effort.

The following expenditures cannot be proposed as cost sharing:
• Unallowable costs
  – Salaries over the salary cap
  – Cost overruns/overdrafts
• Purchase price of equipment in current inventory
• If a sponsor wouldn’t pay for it anyway, it can’t be proposed as cost sharing

Process
The cost share method is linked to each departmental index and applied to each fund that requires cost sharing.

When an expenditure is posted to the cost share index, Banner automatically makes an offsetting transfer entry from the departmental index.

Data Warehouse reports are available for tracking the cost share budgets and expenditures. They can be found under Operating Ledger, Multi-year.

Documentation:
• Salaries, OPE, Services & Supplies, Equipment - Charge directly to the cost share index
• F&A Costs and GRA Fee Remissions - Documented by OPAA
• Non-OSU cost share (must be documented):
  – Time – document by memo (should be signed)
  – Goods or services should show fair market value (or going rate for services)

Cost Share Codes and Titles
Grant: N0035S CS ONR Circular Wave Formation

Fund: 005051 OAS – CS Blackson N0035A/OAS023

Index: N0035S OAS – CS Blackson N0035A/OAS023

Additional Considerations
Cash and third party in-kind contributions must meet all the following criteria:
• Are verifiable from the recipient’s records
• Cannot be used as cost sharing on other federal projects
• Are necessary and reasonable for accomplishment of project objectives and allowable
• Are not paid by the Federal government under another award
• Are provided for in the approved budget when required by Federal agency
• Conform to other provisions of A-110, as applicable
CAS Requirements
• All costs of a project must be classified consistently, regardless of the funding source
• Do we classify all cost sharing consistently with the project costs?
• Cost sharing can have a significant impact on the F&A rate, auditors and negotiators want institutions to capture all cost sharing, mandatory and voluntary

Personal Activity Report (PAR) Forms

Person Activity Report (PAR) Forms are used to reasonably substantiate the activities or effort of employees who are compensated in any part by restricted funds or cost share funds.

From OMB Circular A-21, Section J-10:

These reports will reflect an after-the-fact reporting of the percentage distribution of activity of employees. Charges may be made initially on the basis of estimates made before the services are performed, provided that such charges are promptly adjusted if significant differences are indicated by activity records.

PAR Forms are used to:
• Certify effort for OMB Circular A-21, section J.10 compensation requirements
• State and Federal (A-133) Compliance Audits
• Properly classify the use of individual offices for the Space Inventory (including the F&A Rate Proposal)

PAR Forms are required for employees paid on a research or cost share index – including Academic, Classified, and Graduate Students – and employees paid on Ag, Extension, and Forestry Formula Funds and Match.

Note: PAR Forms are not used for student and temporary employees. For these employees, time sheets must be kept in the departments.

Responsibilities

OPAA
• Run PAR forms after the mid-month payroll processing at the end of the quarter.
• The run creates a table that mirrors the PAR log is created in Banner
• PAR forms and logs are sent as email attachments
• Scanning the PAR form automatically updates the table to record receipt of the PAR form
• Banner Report FRR0260 is run to show whether or not PAR forms have been returned and scanned
• Business Centers are contacted if PAR forms have not been scanned by the 60 day deadline
• Scanned forms will be retained electronically for eight years

Process
See Appendix A for a flow chart of the process and a sample letter with instructions.
### Example PAR Form:

**Oregon State University Personnel Activity Report (PAR)**

**For the period: July 1 - Sept 30, 2009**

<table>
<thead>
<tr>
<th>Employee PID/Name:</th>
<th>Home Org:</th>
<th>4253 Beaver, Bernice</th>
<th>423000 Lunar Experiment Station</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Index</th>
<th>Fund</th>
<th>Orgn</th>
<th>Acct</th>
<th>Prog</th>
<th>Activity</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGR594</td>
<td>030898</td>
<td>423010</td>
<td>10/02</td>
<td>11990</td>
<td></td>
<td>$10,000.00</td>
<td>50%</td>
</tr>
<tr>
<td>N5503A</td>
<td>N5503A</td>
<td>423010</td>
<td>10/02</td>
<td>15503</td>
<td></td>
<td>$10,000.00</td>
<td>50%</td>
</tr>
</tbody>
</table>

**Totals**

|                   |        |        |      |      |          | $20,000.00 | 100% |

If percentages above are not correct, the changes must be indicated on this form. Payroll records must also be redistributed to reflect the corrected activity. If the redistribution is done electronically at the Department, a screen print of the transaction should be attached to the revised PAR form. If a Labor Distribution (LD) form is processed through the Payroll office, a copy of that form should be attached to the revised PAR form.

This is to certify that the activity reported represents a reasonable estimate of the work performed and I am the employee or person having first-hand knowledge of the employee's total effort.

**Signature**

**Date**

### Example Revised PAR Form:

**Oregon State University Personnel Activity Report (PAR)**

**For the period: July 1 - Sept 30, 2009**

<table>
<thead>
<tr>
<th>Employee PID/Name:</th>
<th>Home Org:</th>
<th>4253 Beaver, Bernice</th>
<th>423000 Lunar Experiment Station</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Index</th>
<th>Fund</th>
<th>Orgn</th>
<th>Acct</th>
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<th>Activity</th>
<th>Amount</th>
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</tr>
</thead>
<tbody>
<tr>
<td>AGR594</td>
<td>030898</td>
<td>423010</td>
<td>10/02</td>
<td>11990</td>
<td></td>
<td>$10,000.00</td>
<td>25%</td>
</tr>
<tr>
<td>CM251A</td>
<td>CM251A</td>
<td>423010</td>
<td>10/02</td>
<td>15503</td>
<td></td>
<td>$5,000.00</td>
<td>25%</td>
</tr>
<tr>
<td>N5503A</td>
<td>N5503A</td>
<td>423010</td>
<td>10/02</td>
<td>15503</td>
<td></td>
<td>$10,000.00</td>
<td>50%</td>
</tr>
</tbody>
</table>

**Totals**

|                   |        |        |      |      |          | $20,000.00 | 100% |

If percentages above are not correct, the changes must be indicated on this form. Payroll records must also be redistributed to reflect the corrected activity. If the redistribution is done electronically at the Department, a screen print of the transaction should be attached to the revised PAR form. If a Labor Distribution (LD) form is processed through the Payroll office, a copy of that form should be attached to the revised PAR form.

This is to certify that the activity reported represents a reasonable estimate of the work performed and I am the employee or person having first-hand knowledge of the employee's total effort.

**Signature**

**Date**
PAR Form Process for Business Centers

PAR forms and logs are received by the PAR Form Coordinator from OPAA via email.

Print the forms.

Review the forms with the employee, or someone with first hand knowledge of the work performed during the quarter by the employee.

Determine if corrections are needed.

If no corrections are needed, have the PAR form signed. **Authorized signers are the employee, the PI of the grant, or a direct supervisor such as a lab manager.**

If corrections are needed, make the corrections by crossing off the incorrect information and writing the correct information on the form. Attach copies of backup documents, such as a labor distribution, to the PAR form.

Have the PAR form signed/resigned. **Authorized signers are the employee, the PI of the grant, or a direct supervisor such as a lab manager.**

Review the signed PAR forms.

If corrections were made, verify that the pay in banner matches the PAR form. This can be done by checking the HR Data Warehouse, Human Resource, Admin Reports, FY Earnings for Empl by Index.

If the expected corrections have not processed, investigate to find out why, and when they might show in banner. Often it is that the labor distribution has not processed through payroll yet.

When the corrections have processed, and payroll and the PAR form match, scan the PAR form and backup documents into Nolij.

If no corrections were needed, signed PAR forms are scanned into Nolij.

File the originals and keep for one year.

**Other Notes:**

If, after PAR forms are signed and scanned, it is found that a correction in pay needs to be made, the PAR form must be corrected.

Correct the PAR form by crossing out the incorrect information and writing in the correct information.

Attach the backup documents.


**Have the form resigned and dated**

Scan the form and attach the corrected PAR form to the form originally scanned into Nolij.

File the corrected PAR form and keep for one year.

If no PAR form was received for an employee, contact OPAA to find out if a PAR form was generated. PAR forms are sent to the employee’s Home Org in Banner. If the employee has changed departments the PAR form may have been sent to the wrong department.

OPAA will send a copy of the PAR form via email. The process outlined above should then be followed.

If the employee was new and the pay was delayed, or if the employee was not originally paid on a fund that causes a PAR form to be generated, no PAR form would have been generated.

A PAR form will need to be created for the employee. The blank PAR form (Excel File) can be found in **OSCAR**.

Attach a copy of the appointment documents in the case of a new hire or a copy of the labor distribution in the case of a payroll change that now requires a PAR form.

The same procedure as above should be followed for reviewing, signing, scanning and filing these forms.

**Additional Notes:**
- Employee’s time is represented as 100%, no matter how many hours are worked
- Overload must be paid by E & G funds and approved by Human Resources
- Project work conducted while on sabbatical leave is not allowed on a sabbatical account code
- A revised PAR form with a new signature is required whenever there is a retroactive payroll redistribution that affects a prior quarter’s reporting period.
- PAR forms are sent to the Business Center for the home org of the employee as listed in Banner
- If a PAR form is received for someone who is not in your Business Center, notify OPAA
- We will investigate and send a copy of the form to the correct location
- The information accumulated in the PAR system is subject to audit verification and, if found to be inaccurate by federal auditors, can result in the disallowance of both direct and indirect costs.
- AND PAR forms are used for verification of space for the F&A proposal
PAR Form Status Report (FRR0260)

A useful tool for monitoring the return of PAR forms is the PAR Form Status Report, FRR0260 run in Banner. This report pulls data from the table that is updated when the PAR forms are scanned and mirrors the information in Nolij.

The report can be run for the PAR forms that have been returned, not returned or both and for a specific org, a range of orgs or all orgs at the university.

The year is the Calendar year, not the fiscal year. The quarters follow the calendar year.
Quarter 1  Jan – Mar
Quarter 2  Apr – Jun
Quarter 3  Jul – Sep
Quarter 4  Oct – Dec

The report can also be run for Detail or Summary.

The Summary report run for Both will give the number of PAR forms returned and scanned, the number that haven’t been returned and the total number of PAR forms run.

The Detail report is usually run for the NOT returned status type and will list the Org, Name and ID Number for all the PAR forms that have not been scanned into Nolij.

Module 3 Assignment

After reviewing the documentation and policies for Module 3, you must complete the quiz available in Blackboard.
Module 4

Equipment

Review the following policies:

- Federal Acquisition Regulations (FAR) 52.245: Government Property
- Property Manual - review the following sections:
  - Equipment Acquisition: 201, 202, 208, 210
  - Equipment Management
  - Biennial Inventory
  - Sponsored Research and Federal Property
  - Equipment Inventory Record Keeping

Minor Equipment

Review the following policies:

- GCG 205-06: Supplies, Minor Equipment, Unique Electronic Items
- PRO: 1100-01: Supplies Inventories, Minor Equipment Security

Subawards and Procurements

From the Office of Sponsored Programs:

Is This a Subaward (Subcontract, Subgrant) or a Procurement?

Oregon State University receives grants and contracts for research, scholarship, and creative activities from a variety of public and private sources. Many of the sources of funding have specific guidance as to how to process a portion of that money to other organizations and whether that processing is as a subcontract or procurement. The distinctions between subcontracts and procurements are guided by the Federal Acquisition Regulations, OMB Circulars A-110 and A-133, and OUS FASOM. These distinctions include the purpose of the distribution of funds to a sub-awardee and the necessity to flow-down the terms and conditions of the award from the organization initially receiving the funds.

A procurement process generally is used when OSU buys goods or services for the benefit of the project. In this instance, the activity is a procurement, and the entity receiving the funds is a vendor.

The subgrant or subcontract process is used when OSU passes-through a portion of the sponsored award to another entity for the purpose of programmatic effort on the project. All the terms and conditions that are part of the primary award must be included in the sub-award document. Signature of acceptance of these terms by the receiving entity is required. The entity receiving the funds is a sub-recipient.

When preparing your proposal budgets, we offer the following guidance to be considered in classifying whether an activity is a procurement or a sub-award.
Determining a Sub-award
Does the entity receiving a portion of the funds from you:
• Have their programmatic involvement identified as a separate scope of work, with separate budget and organization approval?
• Have their performance measured against whether the objectives of the project are met?
• Have responsibility for programmatic decision-making?
• Have responsibility for adherence to applicable program compliance requirements?
• Use the sponsored funds to carry out a program of their organization as compared to providing goods or services for a program at OSU?
• Have responsibility for assisting in completion of project deliverable and/or technical report?
• Have the right to publish project results or serve as a co-author?
• Have the option to develop patent-able technology?

If your answers to these questions are "Yes," this activity should be classified as a sub-award.

Determining a Procurement
Does the vendor/entity receiving a portion of the funds from you:
• Provide the goods and services your project requires within their normal business operations?
• Provide similar goods or services to many different purchasers? (this includes fabrication of new goods, consultants, editors, etc.)
• Operate in a competitive environment? (a for-profit organization or an entity/ university providing a testing service)
• Not subject to terms and conditions/compliance of the sponsoring agency?
• Not involved in the programmatic work of the project, including project deliverable or technical report?

If your answers to these questions are "Yes," this activity should be classified as a procurement from a vendor.

Applying the Classification to Your Proposal Budget
Once you have determined whether the funds should be classified as a sub-award or a vendor procurement, the activity should be correctly categorized in your proposal budget.

Sub-awards are listed as contractual agreements in the proposal and itemized in your budget, and are accompanied by a detailed budget from the sub-recipient organization, a copy of their indirect cost agreement (although in some instances certain organizations such as companies may not have this), and a signature from the authorizing official of that organization. When using Modified Indirect Cost Method, overhead would be charged on the first $25,000 of each sub-award. For agreements that calculate indirect cost using Total Method, overhead would be charged on the entire sub-award.

Vendor procurements are listed as supplies, equipment, or services as appropriate. An example would be "lab testing services"; "vessel rental"; "fabrication of xxx equipment." Indirect cost would be calculated on the total amount itemized in your budget. Incorrect processing of sponsored funds distributed to outside entities can lead to having our procurement and contracting system disapproved, more frequent audits, or in the worst case scenario, loss of an award.
Questions

If while preparing a sponsored programs proposal you need assistance in understanding how to classify a portion of your budget going to another organization, please call the Office of Sponsored Programs (541-737-4933).

If you anticipate a procurement from a vendor and you have questions on the distinction between a procurement and a subcontract, please call Purchasing (541-737-4261).

Subcontracts (also known as subawards, subgrants, or subrecipients)

Review the following policy:
• FIS 1106-09: Payment of Grant and Contract Sub-Award Encumbrances

Definition
A subagreement is an agreement that is written under the authority of and consistent with the terms and conditions of a prime award. It authorizes a portion of the research or substantive effort to be performed by another organization which has programmatic responsibilities. Performance is measured against the project objectives or scope of work. The subrecipient functions as a co-investigator on the project.

The legal relationship is between the prime recipient and the subrecipient. All communication from the subrecipient must be to the prime recipient and not directly to the sponsoring agency. The agreement must include a statement of work that specifies what, when, and how the subrecipient tasks will be accomplished.

Subrecipient Agreements
• Sponsor prior approval is required.
• Subrecipients should be identified in the proposal.
• Scope of work to be completed should be included.
• Subrecipient costs should be included in the proposal budget.
• All terms and conditions of the prime award are included in the subaward.
  – For grants and cooperative agreements, flow down the OMB circulars.
  – For contracts, flow-down the FAR clauses.
• Program compliance requirements are passed down to subrecipient.
• Terms to include:
  – Financial and technical reporting requirements.
  – Any required cost share.
  – Payment terms.
  – Audit clauses.
  – Record retention requirements
  – Access to records.
• Agreements are prepared by Sponsored Programs Office.
• Signature of acceptance of these terms by the receiving entity is required.
Subrecipient Monitoring
The institution receiving the prime award is responsible for monitoring the activities of subrecipients for compliance. Subrecipients must comply with OMB Circular A-133, A-21, and A110 for federal audit requirements, cost principles, and uniform administration requirements.

However, if the subrecipient is a foreign, industrial, commercial, or non-profit organization, the OMB circular requirements do not apply. When working with these organizations, you must develop an individual monitoring plan and the organization must agree to the plan.

Prime Institution Responsibilities
• Write the subaward, including scope of work. Attach a copy of the prime award.
• Communicate with key personnel listed in subaward.
• Ensure all reporting obligations are met.
• Verify that subaward scope of work has been completed.
• Monitor for compliance with award terms and conditions and federal requirements.
• Contact OPAA if there are any issues regarding the subagreement, including non-payment.

Subrecipient Responsibilities
• Compliance with award terms and conditions; OMB circulars A-110, A-21 and A-133.
• Obtain independent audit.
• Submit results of A-133 audit to prime institution. Any audit findings affecting award must be disclosed.
• Submit invoices to prime recipient, including budget line item detail.
• Communicate with prime recipient Principal Investigator.
• Ensure all financial and technical reporting requirements are met.
• Comply with record retention requirements.
• Maintain financial systems and accurate records identifying project expenses.

Remember – sanctions and penalties are applied to the prime recipient if the subrecipient fails to comply through non-performance, violating regulations, or mismanagement of the award. You are responsible for the actions of your subrecipients!

Monitoring Procedures

PI/Department/Business Center
• Review budget line item detail of invoices for compliance with regulations.
• Determine if amount requested is within contract amount.
• Determine if invoice dates are within time period of award.
• Verify with Principal Investigator that sufficient progress is being made.

OPAA
• Request annual audit report.
• Facilitate closing of the subaward.
• Before the final invoice is paid:
  o Collect financial and technical reports
  o Collect cost share and equipment reports, if needed.
  o Obtain subrecipient release documents.
• Assure compliance with all terms of the award.
**Subcontract Closeout Procedures**

OPAA will send a close out letter to Subrecipient 60 days prior to the end date of subagreement. A “Subagreement Closeout Requirement” form will be mailed along with that letter. OPAA’s subaward coordinator will send an email to the department /business center staff and copy the OPAA Accountant.

On the end date of the subagreement, if the final invoice has not been received, OPAA will send out a 2nd/Final notification advising them they have 45 days (if award has 90 day closeout) to provide OSU with a final invoice and a completed Subagreement Closeout Requirements form by close of business on a specified date (which will be stated in the notification), or the final invoice will not be paid. The subaward coordinator will send an email to the department/business center staff and copy the OPAA Accountant.

If information is not received by this date and OPAA has not been contacted the subagreement will be closed and no additional payments will be processed. Any exception to these procedures must be approved by the OPAA Manager.

This requirement is so that invoices to the prime sponsoring agency will be accurate.

Failure to provide required documentation will further trigger an audit of the subagreement by the OPAA Office.

**Participant Support**

Review the following policy:
- [FIS 410-32: Participant Support Costs](#)

**Fellowships/NRAs**

Review the following policies and documents:
- [OPAA - Fellowships](#)
- [FIS 1402-16: Fellowships, Scholarships, and Student Payments](#)

See Appendix B for a Flowchart of the Payment Process

**Fellowship Administration**

*Definition*

Fellowships are awards, either funded by internal university sources or from outside sponsors, to support researchers in carrying out proposed research endeavors. Recipients of fellowships can be students, post-doctoral researchers, or visiting faculty. Typically, fellowships provide funds for recipients’ living expenses, tuition/fees, and other related research costs.
Disbursement Accounting
The process can vary depending on the following factors:
• Whether the student is a currently enrolled OUS student or an outside (non-OUS) student or post-doctoral researcher or visiting faculty.
• Whether the funding source of the fellowship support is internal or external
• What specific support the funding source allows
• Whether the recipient is a non-resident alien or a US resident /citizen

Disbursements to OUS Students
For OUS Students, any fellowship support should be made on 55XXX (OUS Student Support) account codes, including:
• 55102 – student stipends
• 55105 – fellowship related student travel
• 55110 – other research related costs, including supplies and, when allowable, health insurance

Disbursements to Non-OUS Participants
For non-OUS students, post-doctoral researchers, or visiting faculty, support should be made on 286XX (Non-OUS Participant Support) account codes, including:
• 28632 – stipends for non-resident aliens
• 28636 – stipends (except NRAs)
• 28635 – fellowship related travel
• 28631 – other research related costs, including supplies and, when allowable, health insurance

Internal Funding Sources
To comply with Oregon Revised Statute 351.070, only in certain pre-approved instances can stipends be paid from Education & General (E&G) funds. If a stipend is to be paid from E&G funds, prior approval is required by the Director of Business Affairs then routed through Financial Aid.

External Funding Sources
Fellowship support from external funding sources can include awards made by the following types of entities:
• Federal Agencies
• Private Foundations or Associations
• Commercial Enterprises

These awards may be expressly for a fellowship or for general participant support costs. The OPAA grant accountant can help determine which is applicable.

Reimbursements
Fellows and participants may be eligible to have project related expenses reimburse from fellowship funds. Either OPAA or the department can process the reimbursement. When allowable on the specific award, health insurance costs can be reimbursed, typically up to specified annual maximums tracked at the department level.
Tuition and Fees
When allowable on a specific award, student fellows can have all or a pre-determined portion of their tuition and mandatory academic fees paid from fellowship funds. Tuition and fee disbursements should be included on the New Fellowship Checklist form. Once a student is enrolled, OPAA will make the tuition/fees payment directly from the fellowship to the student's OSU account.

Stipends

Enrollment Requirements
• Each academic term, student fellows are required to enroll prior to receiving stipends. Requirements are:
  – For undergraduates - 12 credits during the academic year and 1 credit during the summer
  – For graduates – 12 credits during the academic year and 3 credits during the summer
• Stipends cannot be disbursed to the student until the enrollment requirement is met and verified. If the recipient is a non-OU student, post-doc researcher, or visiting faculty member, support can be disbursed with no enrollment

Support Paid to Non-Resident Aliens
Stipends paid to non-resident aliens need to be routed to OPAA to determine if, per IRS guidelines, taxes are to be withheld. If so, OPAA will make the withholding.

Payment Process
• Submit a Fellowship Stipend Checklist or Graduate Fellowship Appointment form to OPAA to initiate the stipend process.
  – The form used depends on the stipend amount; for 2012, if the stipend is over $1736/month use the Graduate Fellowship Appointment form.
  – Both forms are available in OSCAR.
• Once information is verified, OPAA will make stipend payments monthly.
• Stipends are made as vendor payments; recipients must have a current VP address in Banner.
• Stipends are paid on or before the first of each month for the upcoming month.
• Any changes or terminations in stipends need to be communicated to OPAA by the 23rd of the prior month.

Additional Tips
• Student enrollment must be verified each term; any student not yet enrolled when stipends are uploaded may have his/her stipend delayed.
• Information on fellowship disbursements – including stipends, tuition, and fees - is reported to Financial Aid and may have an impact on students' Financial Aid packages.
• Most awards do not allow any deviation in stipend amounts, and thus, funds allocated for stipends cannot be used for any other purpose. Funds allocated for other items may or may not allow rebudgeting without prior approval. Contact the OPAA grant accountant for clarification.
• Stipend recipients are not paid via payroll and do not have an employee/employer relationship with the university. This also means they do not have insurance benefits through the university. Some awards, however, allow for direct reimbursement of health insurance
costs, generally up to an annual maximum. The department is responsible for ensuring that such maximums are not exceeded.

See Appendix C: Fellowship Desk Manual for additional details.

**Module 4 Assignment**

After reviewing the documentation and policies for Module 4, you must complete the quiz available in Blackboard.
Module 5

Accounting

Review the following policies:
• FIS 1101: FOAPAL Elements
• FIS 1101-01: Program Codes
• FIS 1402-03: Communications: Internet Services and Other Mobile Devices

Compensation

From GCG 209-01: Compensation:

209-01A: Sabbatical Leave
Sabbatical pay can only be charged to university general funds. Sabbatical pay is not allowed on sponsored agreements. If supplemental pay is requested during sabbatical leave from restricted grant or contract funds, approval must be received in writing from the sponsoring agency or be separately identified in the approved budget. Authorization from the Office of Post Award Administration is necessary before department or payroll can place supplemental pay on sponsored project funds.

Travel expenses during sabbatical leave charged to a restricted grant or contract must also be approved by the sponsoring agency and is taxable to the employee. These are paid as a per diem flat amount without receipts. The employee is responsible for documentation to the IRS.

Sabbatical Leave Application, Contract, and Form are located at the OSCAR website under the "employee leave" link at the left menu.

209-01B: Vacation Leave Pay-Off
Only vacation leave that was “earned” on the award may be charged to the grant or contract. Vacation leave time should be taken within the life of the award if it is expected that the project will cover the cost of such leave. It is up to the individual and supervisor or unit head to arrange for leave at an appropriate time. If there are exceptional circumstances that prevent the employee from taking the leave, a request in advance of the pay-off, must be made to and approved by the Office of Post Award Administration before charging the award. The department/unit will need to cover the costs of any vacation leave pay-off not approved by the Office of Post Award Administration.

209-01C: Faculty Fellowship Leaves
A fellowship leave is available to faculty who have received certain fellowships that support research, writing, advanced study or travel related to scholarly or professional activities, including but not limited to Fulbright, NEA, NEH, Guggenheim, or other comparable federal or private fellowships, payable directly to the faculty member.

Any unclassified employee appointed at .5 FTE or more might be granted a fellowship leave upon approval of an institutional president or designee. In addition, an institutional president or designee may authorize continuation of institutional health care coverage and payment of
employer contribution toward health care or other personnel expenses during a fellowship leave.

Each faculty member, in applying for a fellowship leave, shall sign an agreement to return to the institution for a period of at least one year’s service on completion of the leave. If the faculty member fails to fulfill this obligation, the faculty member shall repay the full costs of benefits paid by the institution during the leave. This amount is due and payable three months following the date designated in the institution’s fellowship leave agreement for the faculty member to return to the institution.

If continued fringe benefits are authorized, it is the responsibility of the department to pay the fringe benefit costs associated with these faculty fellowship awards. Faculty members who receive such fellowships should contact the Human Resources Department regarding their status, fringe benefits, and agreement to return.

209-01D: Overload Compensation
Overload compensation is NOT allowed on grants and contracts. OMB Circular A-21 states that salary will be based on the individual faculty member’s regular compensation, which constitutes the basis of his salary. Compensation is only allowed at the base salary rate.

Program Income

Definition
The only miscellaneous revenue that may be deposited into a grant or contract is program income. Program income is revenue that is directly generated by a supported activity or earned as a result of the award. Program income includes, but is not limited to:
- Income from fees or services performed
- The sale of commodities or items fabricated under an award
- Workshop fees paid by participants of a funded workshop
- Sale of residual goods that were originally purchased on the award

For additional details on Program Income, including accounting procedures, see GCG 213: Program Income on Grants.

Grant and Contract Cost Overruns

Review the following policies:
- GCG 209-02: Audit Disallowance
- GCG 209-03: Grant and Contract Overrun
- GCG 209-05: Over Expenditure
- GCG 209-06: Temporary Terminations
Clerical/Administrative Salaries on Sponsored Programs

From the Office of Sponsored Programs:

Salaries of administrative and clerical staff are normally not allowable as a budget item as they are included in the F&A rate calculation. Direct charging of administrative and clerical staff may be appropriate where a major project or activity explicitly budgets for administrative or clerical services and the individuals involved can be specifically identified with the project or activity. OMB Circular A-21 defines major as: large grants (e.g. center grants and program project grants) which may require a larger than normal amount of administrative and/or clerical support.

In order to be an allowable direct charge, one of the following criteria must be true:
• It is a clerical position performing program related work.
• It is a major program.
• The program requires making an unusual amount of travel arrangements.
• The funding is for a Center or Institute on campus that has an administrative core component

If any of these criteria are true, the following must be included in the proposal that is submitted to the Office of Sponsored Programs and Research Compliance:
• The PI must write a justification statement regarding the duties that will be performed and why they fit the above criteria.
• The salary and fringe benefits must be specifically identified in the budget.
• OSU Administration must approve the salary/budget in advance, before the proposal is submitted to the sponsor.

For additional information, review the following policy:
• GCG 209-07: Clerical and Administrative Salaries on Sponsored Programs

Record Retention

From GCG 302-03: Record Retention:

Responsibilities

Office of Post Award Administration
• Retains Record Copy

Retention Period:
• 5 years after final financial report is submitted and the fund is closed, or
• For awards that are renewed quarterly or annually, 5 years after quarterly or annual financial report is submitted unless specified as longer by the terms of the contract.

Business Affairs
• Retains all invoices, ledgers, reconciliation statements, etc. for the required time period.
Unit/Department/PI
• Retains Copy of Record

Retention Period:
• 3 years after final financial report is submitted and the account is closed, or
• for awards that are renewed quarterly or annually, 3 years after quarterly or annual financial report is submitted unless specified as longer by the terms of the contract, or
• 3 years after audit, whichever is longer.

• Required to keep Time card backup for all students and persons paid on hourly wage. These must be kept for the entire duration of the award and 3 years after the award termination date. If these are not separated out by funding source, it is recommended keeping these for 8 years.
• Should keep any correspondence with the sponsor and all technical reports and deliverables for the 3-year retention period. Do not keep paper purchase orders (PO) if the PO is in Banner (eliminate duplication). Retention of packing slips is not required unless specifically noted in award terms and conditions. If it is a ‘sensitive contract’ that requires lots of backup, keep everything connected with that agreement for 3 years after end date

From the OSU Archives:

Grant Projects Research Records [OAR 166-475-0060(4)]

This series documents the research activity associated with grant-funded projects. This series may include but is not limited to: research data; working papers; research/activity reports; summary reports; and related documentation and correspondence.

Record Copy: Principal investigators
Retention: Permanent for final research report; 5 years after final financial report is submitted and account is closed, unless otherwise specified as longer by terms of contract for all other records.

Transfer a copy of the final research report to the University Archives when it is submitted to the granting agency.

CONFIDENTIAL DESTRUCTION: Records in this series containing confidential information should be destroyed by pulping, shredding, or incineration. See the OSU Archives and Records Management Handbook for more information.

NOTE: Vice Provost for Research must have access to research records at OSU and research records which accompany principal investigators who permanently leave the University.

FIS Grants

Review the FIS Grants Manual for information on Banner, Data Warehouse, and Nolij.

Module 5 Assignment

After reviewing the documentation and policies for Module 5, you must complete the quiz available in Blackboard. You must also complete the training and test for Banner FIS Grants.
Appendix A: PAR Process for Business Centers

1. Receive PAR Forms and Logs from OPAA via email
2. Print PAR Forms
3. Review forms for accuracy with employee or PI of Grant
4. Are corrections needed?
   - Yes: Make corrections and attach backup documents
   - No: Have form signed by employee, PI of grant, or direct supervisor
5. Corrections made?
   - Yes: Scan original PAR Forms and backup documents into Nolij
   - No: File original document; keep for 1 year
6. Check to verify PAR Form and Payroll match
Sample PAR Email

Business Center PAR Coordinators,

Attached to this email are the PAR instructions, logs, and forms for the quarter ended June 30, 2011. These forms were run on July 26, 2011. There is one log file and one PAR form file for each home org administered by your Business Center. The PAR forms need to be printed, signed and scanned into Nolij. The hard copies with original signatures should be filed and kept for one year after the end of the quarter. The PAR form deadline for this quarter is Sept 26, 2011. Please make every effort to have the forms reviewed and signed by this date. Also please try to have the scanning completed as soon as possible after this date. The naming convention in Nolij is PAR_11_02.

The instructions for completing the PAR forms are attached to this email. Please note the instructions for making corrections to the PAR forms. When corrections are made to the PAR forms, they need to be signed after the corrections are made. If a correction is needed after the form has been signed, it needs to be signed and dated again. Also, remember to scan the backup documents for any corrections and staple them to the scanned corrected PAR form in Nolij. Feel free to contact me if you have questions about the instructions or the processing of the PAR forms.

Please remember that based on recent audits at other universities, the signature on the PAR form needs to be the employee, the PI or a lab manager.

Personnel Activity Reports are required under OMB Circular A21 for universities receiving federal restricted funds, including Hatch, McIntire-Stennis and Smith Lever funds. Failure to maintain accurate and up-to-date PAR forms can result in the loss of future funding and/or the return of funds already received. PAR forms are reviewed in all of the audits on the research grants and contracts. For more information on PAR form requirements see the Grant, Contract and Gift Accounting Manual at http://oregonstate.edu/fa/manuals/gcg/211.

If corrections are needed in sending this email or the orgs included, please let me know. I will make the necessary corrections. If you would like more than one person in your Business Center to receive a copy of the PAR email and attachments each quarter, please let me know that also. If you receive a PAR form for a person who is not in your Business Center, please let me know and I will forward the form to the appropriate Center or Department.
Sample PAR Form Instructions

PERSONNEL ACTIVITY REPORT INSTRUCTIONS
Period Ended 6/30/2011

BUSINESS CENTER PAR COORDINATOR: PRINT THE ATTACHED PAR FORMS AND FOLLOW THESE INSTRUCTIONS

1) Review the PAR Form with the employee. Stress to your faculty and staff the importance of completing the PAR form accurately and promptly. If the percentages of effort shown for any sponsored project or funding source differ by more than plus/minus 5%, please make necessary corrections before having the form signed. **Make corrections to the PAR form by drawing a line through the printed information to be modified and writing the correct information just above or below it.** Also, a labor redistribution must be made to match the effort as reflected on the PAR form. If the redistributions are entered electronically in PYAREDS, a copy of the PHRLRAR report which shows the change should be attached to the revised PAR form. If a Labor Distribution (LD) Form is used, please attach a copy of the LD form to the corrected PAR form. If your changes are a result of pay increases, please attach a copy of the Job Form reflecting the new rate which has been forwarded to Human Resources. If changes are a result of an overpayment, include a copy of the Overpayment Notice which has been sent to Payroll advising them of the error. If you find that a retroactive labor distribution is needed, the PAR forms for that individual for all quarters affected must be corrected and returned to this office with NEW signatures.

2) If no changes are required or when any necessary changes have been noted on the PAR form and the appropriate paperwork has been sent to the Payroll office, have the employee, the principal investigator, or a lab manager sign and date the PAR form. Based on an NSF audit, signatures from anyone else would likely result in an audit finding. **ONCE THE FORM HAS BEEN SIGNED AS CORRECT, NO FURTHER PAYROLL CHANGES SHOULD BE MADE FOR THAT QUARTER.** If new changes are found to be necessary, revised PAR forms for all affected quarters with new original signatures will need to be completed.

3) Scan the signed original of the PAR form and copies of any backup documents for changes by Sept 26, 2011. Retain the original signed copy of the completed PAR form along with copies of the backup documents for one year.

Following are some special notes regarding these forms:

**First,** because 100% effort must be certified per employee, there is only one PAR form generated per employee, regardless of the number of positions or organizations with which that individual is affiliated. The PAR form will be sent to the Home Org identified in the Human Resources records. If you receive a PAR form for an individual that you do not recognize, please contact Branita in the Office of Post Award Administration. She will investigate and send a copy to the correct department.

**Second,** if you have employees paid completely from M2xxxx or FSxxxx gifts, you will not receive PAR forms for them. The names of these individuals will appear on the “log” sheet that you receive with your PAR forms, but individual PAR forms will not be created for them.

**Third,** PAR forms will not be generated for student employees paid on Account Code 105xx (ECLS “XA”) or temporary employees paid on Account Code 104xx (ECLS “TS”). Time sheets for these student employees or temporary employees must be signed by their supervisors and maintained at the department for possible audit review. **This includes Summer pay for Grad Students paid on 105xx account codes.**

Please Note: Because of the requirements of OMB Circular A21, all PAR forms **MUST** be signed and scanned.

Thank you.
Appendix B: Fellowship/Stipend Recipient Payment Process

Notice of award received/recipient selection made

Is Fellow/Stipend recipient OUS student or non-OUS post-doc/visiting researcher?

OUS Student

Student will be required to enroll before stipends are issued (per student support policy)

Currently enrolled?

Yes

No

Are stipends to be paid from internal or external sources?

Is funding source OSUF or E&G funds?

Internal

External

Prior approval by Director of Business Affairs (route requests to OPAA)

Complete OSUF form and submit to financial aid

Prior sponsor approval may be required. Contact OPAA grant accountant.

Is recipient a non-resident alien?

Yes

No

Verify recipient home country and VISA type. Note recipients NRA status on Fellowship Checklist form and submit to OPAA. Stipends may be taxable. OPAA will determine tax liability and withhold if taxable.

Complete Fellowship Checklist form and note citizenship/residency status as appropriate. Submit to OPAA. Stipends will not be taxed. Recipient will NOT receive a 1099.
Appendix C: Fellowship Desk Manual

Fellowships are awards, either funded by internal sources at the university or from outside sponsors, to support students or post-doctoral researchers in carrying out proposed research endeavors. The process of making specific types of payments to the individual fellow varies somewhat, depending on the following factors:

- Whether the student is a currently enrolled OUS student or an outside (non-OUS) student or post-doctoral researcher or visiting faculty.
- Whether the funding source of the fellowship support is internal or external
- What specific support the funding source allows
- Whether the recipient is a non-resident alien or a US resident /citizen

The answers to these questions will drive the process in terms of what the recipient is paid, what types of support to which the recipient is entitled, and whether or not taxes will need to be withheld from payments. Information on how to proceed, based on the specific award and/or recipient is included below.

1. Recipient status and enrollment:

   If a fellowship is awarded directly to an individual, those funds can be used only to support that specific individual. If the recipient is an OUS student, all charges incurred in support of that student must be made on 55xxx (OUS student support) account codes. The student must be enrolled for each term in which support is paid on his/her behalf. At the graduate level, this requirement is 12 credits during the academic year and 3 credits during the summer. This is consistent with the Graduate School policy requiring continuous enrollment. Undergraduates are required to enroll for 12 credits during the academic year and 1 credit during the summer in order to receive fellowship support. Stipends cannot be disbursed to the student until the enrollment requirement is met and verified. If the recipient is a non-OUS student, post-doc researcher, or visiting faculty member, support can be disbursed with no enrollment on the part of the recipient and a 286xx non-OUS participant support account code should be used.

2. Source of Support Funds:

   Many federal agencies, as well as some foundations and private corporations, offer fellowships to support students or post-docs while pursuing research projects at the university. If these fellowships are awarded directly by the sponsoring agency to either the individual or to a faculty member (who then chooses the fellows based on research merit and/or other criteria), these are considered sponsored awards and are administered through the Office of Post Award Administration. Fellowships that are awarded through the OSU Foundation funds, are routed through the Office of Financial Aid and Scholarships and disbursed directly to students’ accounts. As a general rule, student aid cannot be paid with Education and General (E&G) funds, see student support FIS policy on pre-approved exceptions. If not already pre-approved, prior approval for student support from E&G funds will need to be approved by the OSU Director of Business Affairs.
3. If the recipient is be supported by an outside funding source, you will need to verify that the specific funding source allows participant support costs to be charged to the award. Contact the appropriate OPAA grant accountant for assistance in determining this. If such support is not pre-approved, prior approval from the sponsoring agency may be required. Again, the OPAA grant accountant can assist with this.

4. If participant support is allowable per the specific funding source or sponsoring agreement, submit a Fellowship Stipend Checklist or the Graduate Fellowship Appointment form, both available in OSCAR, to the Fellowship Coordinator in OPAA. Which form to submit depends on the stipend amount; for 2012; if the stipend is over $1736/month, use the Graduate Fellowship Appointment form (note: the threshold can change year-to-year). Indicate on the form specifically what type of support (i.e. stipends, tuition/fees, research-related reimbursements) are to paid from the award, the index to be charged, and for what time period. OPAA will verify that such expenditures are allowable on the award and contact department staff if some are not allowable or if there is any restrictions in the award regarding the stipend amounts. (Some federal agencies have strict guidelines regarding stipend amounts and disbursement schedules). On the New Fellowship Checklist, include the address to which payments should be mailed.

Because stipend payments are paid as vendor payments (not via payroll), if the recipient does not currently have a vendor payment (VP) address in Banner, one will need to be created. Complete a vendor maintenance form and submit to payables so that the recipient can be paid as a vendor. If the recipient has a VP address that is not current, a new vendor maintenance form will need to be submitted so that the current address can be added, thereby ensuring that the check is mailed to recipient’s current address.

Once the fellowship information is received by OPAA, and all information is verified, the recipient is added to the list of monthly stipend recipients by the OPAA Fellowship Coordinator. The scheduled stipend payments are uploaded directly into Banner during the last week of the month for the upcoming month, ensuring that recipients receive their stipends on or before the first of each month. **If there is to be any deviation or a termination of stipends, please let the OPAA fellowship coordinator know no later than the 23rd of the month so there is time to verify and make the adjustment before stipends are issued.**

If the fellowship allows tuition and/or fees to be paid on behalf of the fellow, that information should be included on the New Fellowship Checklist. Once verified, a detail code is requested from Student Accounts and will be used to apply tuition/fee payments directly to the student’s account. The detail code charges the fellowship index directly, so no further accounting entries need to be made. Detail codes are tied to specific indexes, so fellowships that require multiple indexes will also require the use of multiple detail codes.

5. If the recipient is a non-resident alien, you will need to verify that the individual is eligible for the specific support you are seeking to pay. Some sponsors do not allow stipends to be paid to individuals who are not U.S. citizens. The recipient’s home country, INS status, and visa type will need to be determined and that information forwarded to OPAA. If the support is allowable, but no current tax treaty exists with the recipient’s home country, taxes may need to be withheld from support payments, per
IRS requirements. OPAA will process all such payments and do the appropriate withholding.

Some Tips to Remember:

1. **Each term**, student enrollment must be verified before stipends are issued. Any student who has not yet enrolled at the time stipends are uploaded will have his/her stipend delayed. Information regarding fellowship disbursements — including stipends, tuition, and fees — are reported to Financial Aid and may have an impact on a student’s Financial Aid package.

2. Most awards do not allow any deviation in stipend amounts, and, thus, funds allocated for stipends cannot be used for any other purpose. Funds allocated for other items (i.e., research-related travel, research supplies, and tuition) may or may not allow rebudgeting without prior approval. Contact the OPAA grant accountant assigned to the specific award for clarification.

3. Stipend recipients are not paid via payroll and do not have an employee/employer relationship with the university. This also means they do not have insurance benefits through the university. Some awards, however, allow for direct reimbursement of health insurance costs, generally up to an annual maximum. The department is responsible for ensuring that such maximums are not exceeded.