



Post Award Manual

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Sponsored Program Accounting
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<https://www.lsu.edu/administration/ofa/oas/spa/index.php>

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Common Acronyms used in Post Award Accounting

AWD	Award in Workday
AWDC	Legacy Award converted into Workday
CCM	Cost Center Manager
CCSPM	Cost Center Sponsored Program Manager
CI	Customer Invoice
Co-PI	Co-Principal Investigator
CR	Cost Reimbursable
F&A	Facilities & Administrative Costs
FP	Fixed Price
GA	Graduate Assistant
GR	Grant in Workday
GRC	Legacy Grant converted into Workday
NCE	No Cost Extension
ORED	Office of Research and Economic Development
OSP	Office of Sponsored Program (Pre-Award)
PAA	Payroll Accounting Adjustment
PI	Principal Investigator
PO	Purchase Order
SAE	Student Award Entry
SPA	Sponsored Program Accounting (Post Award)
TRX	Transaction Code
UG	Uniform Guidance

Post Award Manual

A. AWARDS & GRANTS

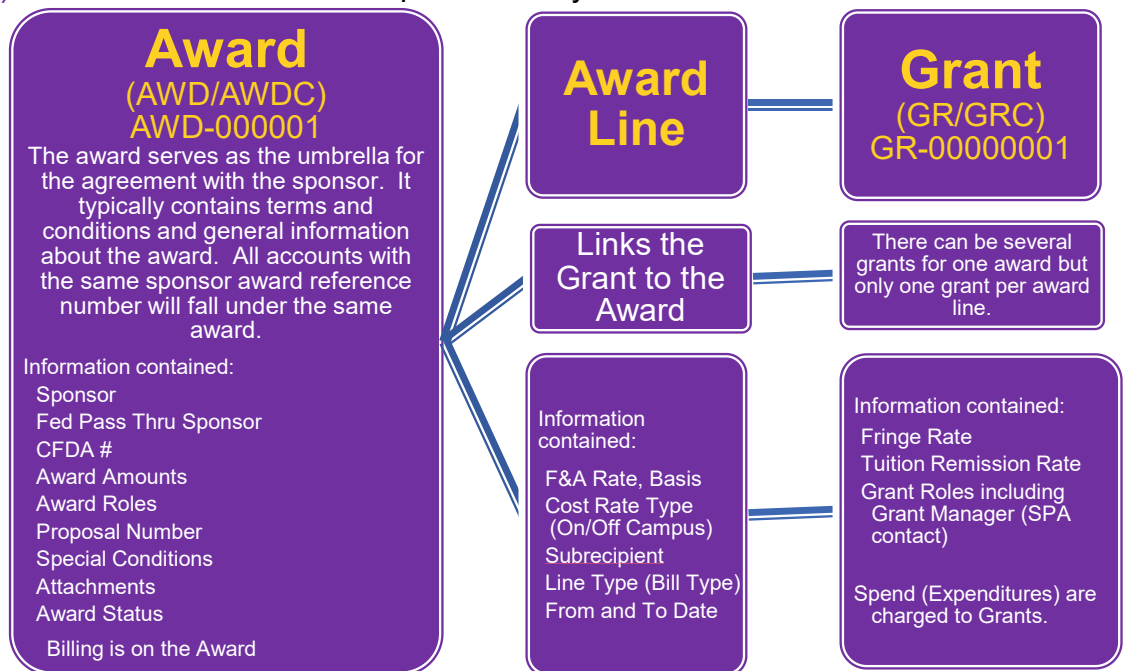
1. Types of Awards

- a) Sponsored programs are projects originating from financial agreements between the University and external sponsors that provide support to accomplish a particular objective. These financial agreements can be awarded through various mechanisms:
- **Contract:** A contract is generally an agreement to provide a product or service which is of direct benefit to the sponsor. Contracts provide for payments to the University which cover allowable project costs or payment of a fixed price for satisfactory completion of the project.
 - **Grant:** A grant is an agreement of financial assistance awarded to an organization for the conduct of research or other program/project activities as specified in an approved proposal. The proposal typically defines a scope of work or performance.
 - **Cooperative Agreement:** A cooperative agreement is similar to a grant but in which the sponsor's staff may be actively involved in proposal preparation and anticipates having substantial involvement in research activities once the award has been made.
 - **Gift:** Contribution from a private, non-governmental source, made without expectation of any product or service of a tangible or intangible nature in return.
- b) **Distinction between Gifts and Sponsored Agreements:** [FASOP: AS-05](#)
- c) Awards are classified as either Cost Reimbursable (CR) or Fixed Price (FP).
- Cost Reimbursable
 - CR awards are reimbursed for costs incurred. Some awards may be billed a fixed amount with the unexpended balance refunded to the sponsor upon expiration.
 - Fixed Price
 - FP awards are issued for completion of specific tasks or services. Payment is not based on reimbursement of expenditures, but rather

a fixed amount for completion of the project tasks or based on a payment schedule.

2. Awards & Grants

- a) Once SPA receives the fully executed agreement from OSP, the award will be set up in Workday, the financial system of record. All award numbers begin with **AWD-XXXXXX** (legacy converted awards AWDC-XXXXXX) and are automatically assigned in Workday.
- b) Each sponsored program award number will have an award line and a corresponding grant worktag that is associated with that award line. A grant worktag will be in the format of **GR-XXXXXXXX**.
- c) An award may have multiple grant lines i.e., a separate grant line for each year of funding, cost sharing, subrecipients, etc. Grant names may also contain one or more of the following after the campus abbreviation:
 - o **CS** – indicates cost sharing grant (see Cost Sharing section B.12)
 - o **Sub-k** – indicates subrecipient grant (see Subrecipient section B.9)
- d) Other abbreviations found in grant names:
 - o **MC-DNU** – indicates multi-company grant where award has already been established and grant cannot be attached; all expenditures must be moved off
 - o **T1** – indicates the grant is tentative and is not attached to an award
- e) Award to Grant relationship in Workday



- f) Workday notifications are sent for the initial setup of an award and award amendment events to the following grant related roles:
- Cost Center Manager
 - Cost Center Sponsored Program Manager
 - PI
 - Co-PI

3. Tentative Grants

- a) If expenditures are expected to be incurred before the agreement is fully executed, a tentative grant may be requested through the department head.
- a) The grant will not be linked to an award until SPA receives the fully executed agreement. A tentative grant is a mechanism which allows the PI to charge grant expenditures with the correct source of funds until the award is finalized.
- b) The following information is required to establish a tentative account number:
- Sponsor
 - Principal Investigator Name/ Co-PI
 - Award Amount
 - Begin Date/Expiration Date
 - Purpose/Function of Account
 - Fringe Benefit Rate, F&A Rate & Base, GA Tuition Remission Rate
 - Proposal Number (LSUAM Only)
 - Proposal/Project name
 - Contact Name and Phone Number
 - Department Head's Signature
 - Responsibility clause stating that the department will be responsible for all charges if the agreement is not fully executed.
- c) For LSUAM projects, the [AS494 form](#) is available in the Forms section of SPA's website. When completed, the form should be sent to OSP.
- d) For AgCenter projects, the [AS495 form](#) is available in the Forms section of SPA's website. When completed, the form should be sent to the AgCenter OSP.
- e) For all other campuses, the [AS496 form](#) is available in the Forms section of SPA's website. The completed form should be sent directly to SPA.
- f) F&A is not charged to tentative grants.

4. Navigation of Award in Workday

Job aids have been created to assist in accessing award and grant information in Workday Finance/Grant Training:

- [Award Key Personnel](#)
- [Award Key Personnel Commitments](#)
- [How to Search a Grant](#)
- [How to Search and Navigate an Award](#)
- [Expense by Award Financial Report](#)
- [Expense by Award by Ledger Account Financial Report](#)
- [Grant Balances - Departments](#)
- [LSUAM Award Expenditure Metrics Report](#)
- [Quick Guide to Running Expense by Award](#)
- [SPA – Journal Lines Report](#)

B. AWARD MANAGEMENT

1. Invoicing Sponsors

- a) SPA administers all invoicing per award requirements through Workday. Department personnel should refer all calls and correspondence regarding invoice submission to SPA. Department personnel and PIs should never invoice a sponsor nor promise an invoice by a certain date.
- b) Invoices are prepared based on the expenditures reflected in Workday. Departments should review grant expenditures monthly.
- c) Final invoices can be prepared based on expenditures incurred but not recorded in Workday if the SPA contact is given proper supporting documentation. This may include copies of invoices, payroll costing allocations, or payroll accounting adjustments. All necessary documents must be provided with sufficient time for SPA to submit (including mail time) the final invoice by the required due date to the sponsor. Final invoice deadlines can vary by sponsor and agreement. The Award Billing Notes, on the Overview tab, usually outlines the final invoice due date. Unless otherwise stated in the terms and conditions, below are the common due dates for final invoices based on Sponsor Type.
 - Federal projects are typically due within 90 days of expiration
 - Federal Pass Thru projects are typically due within 45 days of expiration since pass thru entity must submit their final within 90 days
 - Most state agencies require the final invoice between 5 – 45 days after the expiration date. June invoices for State agreements are generally due between July 1 and July 15.

- d) All reconciling items must be coordinated with the assigned SPA contact. The SPA contact can be found on the Assigned Roles tab of the award (Award Billing Specialist or Award Billing Manager) or the Roles tab of the grant (Grant Manager). Click the related actions icon next to the Grant ID to access the Grant Preview screen where the SPA Contact can be seen under Leadership Roles.

2. Monthly Reports

- a) PI and administering departments are responsible for the allowability and appropriateness of all charges on sponsored programs. Any overdrafts, unallowable costs, or uncollectible accounts receivable (as determined by SPA) should be resolved in a timely manner.
- b) Workday Reports:
- Expense by Award
 - Grant Balances – Departments
 - SPA – Journal Lines
 - Trial Balance
 - Award Key Personnel Commitments
- c) Checklist for reviewing monthly reports:
- ✓ Reports can be scheduled to run automatically after month end close or can be run manually.
 - ✓ Review monthly for completeness and accuracy.
 - ✓ Verify expenditures are recorded timely.
 - ✓ Ensure all pending transactions are cleared.
 - ✓ Confirm expenditures are properly allocated to the project.
 - ✓ Process cost transfers to correct any errors.
 - ✓ Clear any overdrafts.

3. Expiration Notification Letter

- a) An expiration notification e-mail is sent to the PI 30 to 60 days before the sponsored agreement expires. The PI should ensure the following actions were/will be taken:
- Review ledgers for appropriateness of expenditures
 - Notify SPA of any anticipated expenditures that will not be reflected on the ledgers as of the expiration date
 - Clear encumbrances, transactions “in progress,” and overdrafts
 - Ensure all goods and services are received before the expiration date
 - Process appropriate costing allocations to remove personnel from the grant
 - Notify rendering departments of new grant(s)
 - Verify that cost sharing requirements have been met

- Submit deliverables (e.g., final report) to sponsor
 - If deliverables will not be submitted by the time stipulated in the agreement, notify SPA immediately
 - Disclose any potential patent information to the University
 - If the grant is still tentative, forward the fully executed agreement to the appropriate Sponsored Programs office.
- b) If the sponsored agreement will be extended, the PI should indicate the new expiration date, attach a copy of the modification approving the extension or the letter requesting the extension, and return the form by e-mail to the SPA contact.

4. Allowability of Costs

- a) Expenditure allowability for Federal Funds
- The Office of Management and Budget, published in the Federal Register the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards: Final Rule (Uniform Guidance), 2 CFR Chapter 1, Chapter II, Part 200. Commonly referenced as [2 CFR Part 200](#).
 - UG (Uniform Guidance) is the regulation that guides the allowability of costs on federal awards. [2 CFR 200 Subpart E](#) sets forth the criteria for acceptable methods of determining costs applicable to federal grants, contracts, and other agreements with educational institutions.
 - It is the responsibility of the department's grants administrator and the PI to determine whether expenditures are reasonable, allocable, and allowable per UG based on the standards outlined in this section.
- b) Direct Costs vs. Facilities & Administrative (F&A) Costs:
- Direct Costs
 - Costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity.
 - Costs that can be directly assigned to such activities relatively easily with a high degree of accuracy.
 - F&A Costs
 - Costs incurred for common or joint objectives.
 - Costs that cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity.
 - Costs incurred for the same purpose in like circumstances must be treated consistently as either Direct or F&A costs. Where an institution treats a particular type of cost as a direct cost of sponsored agreements, all costs

incurred for the same purpose in like circumstances shall be treated as direct costs of all activities of the institution.

- c) The test of allowability of costs under the UG principles follows:
- **Reasonable Cost:** A cost may be considered reasonable if the nature of the goods or services acquired, and the amount involved, reflect the action that a prudent person would have taken under the circumstances at the time the decision to incur the cost was made. [2 CFR 200.404](#)
 - **Allocable Cost:** to sponsored agreements under the principles and methods provided in the UG (the cost can be assigned to the activity on some reasonable basis); A cost is allocable to a sponsored agreement if the goods or services involved can be charged or assigned based on relative benefits received or some other equitable relationship. 2 CFR 200.405 Subject to this, a cost is allocable if:
 - 1) It is incurred solely to advance the work under the sponsored agreement.
 - 2) It benefits both the sponsored agreement and other work of the institution, in proportions that can be approximated through use of reasonable methods; or
 - 3) It is necessary to the overall operation of the institution, and it is deemed to be assignable in part to sponsored projects.
 - **Consistent treatment** through application of those generally accepted accounting principles appropriate to the circumstances (like costs must be treated the same in like circumstances as either direct or F&A costs); [2 CFR 200.403\(d\)](#) and
 - **Limitations:** Costs must conform to limitations or exclusions set forth in UG and the sponsored agreement (including the request for proposal). When the maximum amount allowable under a sponsored agreement is less than the total amount allowable in accordance with the principles in UG, the amount that is not recoverable may not be charged to other sponsored agreements. Any costs allocable to activities funded by industries, foreign governments or other sponsors may not be shifted to federally sponsored agreements. Costs caused by overruns or other fund considerations, and costs incurred to avoid restrictions imposed by law or by the terms of the sponsored agreement, may not be shifted to federal funds. [2 CFR 200.403\(b\)](#)
 - **Budget Period:** Costs must be incurred during the approved budget period. [2 CFR 200.403\(h\)](#)
- d) Expenses on non-federal awards require the careful review of terms and conditions and any other supporting documentation (e.g., approved budget, sponsor guidance) to determine the appropriateness of charges.

- e) If unsure whether a cost is allowable, please check with the SPA Grant Manager **prior to** incurring the charge.

5. Fixed Price Agreements

- a) **Fixed Price Agreements [FASOP AS-08](#):** The disposition of unexpended balances in the grants of expired fixed price agreements become Fixed Price funds. The PI is allowed maximum flexibility to use the remaining funds to support the original area of the award (e.g., research, instruction, public service), while establishing a liquidation schedule for these grants. The Ag Center and Vet Med have their own policy for Fixed Price agreements therefore, FASOP AS-08 does not apply to awards established under those units.
- b) **F&A Costs on Expired Fixed Price Accounts**
In accordance with FASOP AS-08, upon expiration, the remaining funds budgeted for F&A costs shall be recovered by the University. After this is accomplished, remaining funds are available to be expended by the PI.
- c) **Fringe Benefits & Tuition Remission**
Rates for Fringe Benefits and Tuition Remission are updated each fiscal year on expired fixed price awards to reflect the current year rates.
- d) **Minimum Balance**
In accordance with FASOP AS-08, any account that has an unexpended balance of less than \$100 will be closed 90 days after the expiration date with the balance being recognized as F&A.
- e) **Grace Period**
In accordance with FASOP AS-08, the PI has a period of 36 months following the expiration date to use these funds with the following exception: PIs at the School of Veterinary Medicine will have a period of six (6) months following the expiration date to use these funds. The expenditures must be tentative or encumbered on the final ledger in order to be allowable.
- f) **Absent PI and/or Key Personnel**
For an expired fixed price agreement for which the PI is no longer affiliated with the University (or for which the PI is unavailable to monitor the agreement), the unit head will be responsible for the disbursement of any unobligated funds. The unit head is also responsible for notifying SPA of a change in PI.
- g) **Reversion**
Any funds remaining at the end of the grace period will revert to the Vice President for Research & Economic Development with the following exception: funds remaining in School of Veterinary Medicine projects will revert to the

Dean of the school. These funds will be used as matching funds to sponsored agreements and to support research.

6. Equipment Maintenance and Repair Costs Charged to Sponsored Projects

- a) General purpose equipment maintenance/repair costs are not allowable costs on sponsored agreements.
- b) Maintenance/repair costs for specialty equipment purchased on the project or used primarily for the research and benefit of the project, can be a direct cost to a grant. Maintenance/repair costs are typically allowable on sponsored agreements when:
- it is listed in the *approved budget.
 - it is for specialty equipment purchased on the project.
 - it is for specialty equipment used to support or advance the work of the project.
 - it is not prohibited per the sponsor's terms and conditions.
 - it is reasonable and allocable. Maintenance and repair costs must be proportionately allocated to each project or activity for equipment used on multiple projects (externally or institutionally funded projects including departmental research, instructional activities, or other institutional activities.
 - maintenance agreement dates fall within the award period.

**It is recommended that anticipated maintenance expenses be included in the proposed budget and budget justification.*

***If the maintenance/repair costs are not listed in the approved budget or the maintenance/repair costs are not for specialty equipment purchased on the project, an AS550 must be completed.*

- c) Maintenance/repair costs are typically not allowable on sponsored agreements when:
- it is for general purpose equipment (laptops, desktops, printers, etc.)
 - There is no reasonable method to proportionately allocate the costs to the specific project.
 - It is specifically disallowed by the sponsor.
 - It does not support or advance the work of the specific project.
 - The scientific/specialty equipment is in an approved service/recharge center.

Note: Costs incurred for improvement which add to the permanent value of equipment or appreciably prolong its intended life are treated as capital expenditures and must have prior written approval of the awarding agency.

7. Scholarships and Fellowships

- a) Scholarships and fellowships are allowable on sponsored agreements only when approved by the sponsoring agency. All scholarships and fellowships must have a separate grant in workday:
 - Spend category **SC0112:Scholarships** is used for tuition, fees, housing, food service, travel, and books.
 - Spend category **SC0111:Graduate Fellowships** are used for stipends for graduate students
 - Spend Category **SC0114:Undergraduate Fellowships** are used for stipends for undergraduate students and students not required to be enrolled as a stipulation of the award (non-LSU students)
- b) To assist in determining how to process student stipends and scholarships, there is a [Fellowship/Scholarship Decision Tree](#) on the SPA website for [Undergraduate](#), [Graduate](#) and [Postdoctoral](#) students.
- c) To request a transaction (TRX) code for a Scholarship/Fellowship account, the department must complete an [AS498 form](#). Approval routing is located at the bottom of the form. Once a TRX code is established, SPA will load the tuition exemptions for the appropriate students upon notification from the PI or the designated departmental contact. Departments are responsible for loading the SAE documents for stipend payments in the Student Award Entry system (SAE).
- d) Documentation of scholarship criteria must be attached to the **AS498**.
- e) Fellowships are cash awards frequently given for academic excellence but in some cases they are given on the basis of need. Fellows do not have a work component.
- f) Fellowships/stipends are paid on the following dates but will usually hit the ledger a few days before; therefore, the payment on the 1st of the month will usually show up on the ledger preceding that month:

Fall term:	Spring term	Summer term
August (one week before class begins)	January (one week before class begins)	June (one week before class begins)
September 1	February 1	July 1
October 1	March 1	
November 1	April 1	
December 1	May 1	

If a department decides to pay the students less than 5 installments, they will be paid beginning the first payment date. For example: 2 installments will be paid on August 1 and September 1 or 3 installments will be paid on August 1, September 1 and October 1.

SAE is term based and will only release funds to students upon completion of registration. If a student is not enrolled and the TRX code is set up for a LSU student, the funds will never be released. If a student is not required to be enrolled as a condition of the award, ensure the Non-LSU Students box is checked on the AS498.

- g) Exemption reports are available in **myLSU>Financial Services>Reporting Tools** and should be reconciled to the expenditures in Workday monthly. The exemption reports may be viewed or printed by accessing **Reporting Tools>Accounts Receivable**, and then either **Exemption/Cash Award Activity Report** or **Accounts Receivable Transaction Activity Report**. If using the Workday Account to run the report, the account is the FDM translation number.
- h) Manual journals cannot be utilized to correct the grant for scholarships and fellowships. The department must process entries through SAE (one entry removing the award from the incorrect grant's TRX code, and another entry charging the award on the correct grant's TRX code). Both entries must be processed at the same time with a note to Student Aid to release both entries together so that the student's account is not affected.
- i) For cash incentive payments paid to participants in sponsored programs (\$50 or less), see [FASOP: AS-13](#)
- j) To view awards in SAE:
 - Logon to the **Information Management System (IMS)** in Mainframe
 - From the User Menu screen, type **"X"** for TPX (Terminal Productivity Executive), then press **Enter**
 - Type in **Logon ID** and **Password**, then press **Enter**
 - Press **F2** to logon to IMS
 - Type in **Logon ID** and **Password** again, then press **Enter**
 - The screen will then display the message "Sign-On Successful, Session Ready for Input." The user is now logged on to the IMS system. Press **F1** for the System Menu.
 - Type in **SAE**, then press **Enter**
 - **PF 2** To find an award document
 - Enter the **TRX CODE**, then press **Enter**
 - Select document, then press **Enter**

8. Participant Support Costs (PSC)

- a) Participant support costs are direct costs paid to or on behalf of participants or trainees, who are **not** an LSU employee, for their participation in meetings, conferences, symposia, workshops, or other training projects.
- b) Generally associated with programs that provide research training or experience for participants, such as the Research Experience for Undergraduates (REU) and the Research Experiences for Teachers (RET) on NSF projects.
- c) **PSC Budget:**
 - Separate budget category in the federal project's proposed budget
 - Number of participants must be identified.
 - Description of costs must be included.
 - If budgeted for costs other than stipends, subsistence allowances, travel allowances and registration fees, these other costs must be separately identified and described in the proposal's budget justification.
- d) **PSC Post Award:**
 - Allowable costs on federally sourced projects with the prior approval of the federal agency or sponsor
 - Must be accounted for in a separate grant worktag.
 - May be subject to additional sponsor terms or regulations.
 - Excluded from the calculation of facilities and administrative (F&A) costs.
- e) **PSC Rebudgeting:**
 - Cannot be re-budgeted to other direct cost categories without prior written approval of the federal agency or sponsor.
 - Cannot be used for non-PSC activities. Unspent PSC budget amounts cannot offset a deficit in the other non-PSC lines of the project unless prior approval has been received from the sponsor.

9. Subrecipients

- a) A subrecipient/subcontractor relationship exists when a portion of the scope of work is transferred to another entity. The PI is responsible for ensuring that the subrecipient is in compliance with the terms and conditions of the subaward.
- b) LSU is only allowed to recover F&A costs on the first \$25,000 of a subcontract.
- c) A separate grant/award line is created for each subaward. The grant will have **Sub-K** after the campus abbreviation in the grant name.

- d) A subaward agreement must be fully executed and a purchase order issued before a subrecipient can invoice LSU.
- e) Per the subaward agreement, Subrecipient invoices should be submitted to spa@lsu.edu. For tracking purposes, any invoices received by the PI or Departmental Accountant, that does not include spa@lsu.edu, should be forwarded immediately to SPA.
- f) PI Checklist for Subcontractor Invoices
 - ✓ Acceptable technical reports and deliverables have been submitted in accordance with subcontract requirements.
 - ✓ Dates on the invoice identifying the billing period (not the invoice date) are within subcontract period of performance.
 - ✓ Invoice format (e.g., major cost categories, lump sum, milestones, etc.) is in the format required by the subcontract.
 - ✓ Invoice frequency (i.e., monthly, quarterly, at final, etc.) is in compliance with subcontract requirements.
 - ✓ If required by the subcontract, invoices reflect the source of funds (ex: NASA, LEQSF – two separate awards) and invoiced amounts are charged to respective LSU grants.
 - ✓ Expenditures are allowable and within the re-budgeting limitations set forth in the subcontract.
 - ✓ If CR, the cumulative amount equals the amount previously billed plus the current billing amount.
 - ✓ Cost sharing certification has been attached to the invoice, if applicable
 - ✓ The invoice has been certified/signed by the authorized institutional rep.
 - ✓ If withholding is required by the subcontract, each invoice has been reduced by the retainage (% of amount invoiced)
 - ✓ The final invoice has been marked “Final”, cost sharing has been met, the close-out certification has been submitted, and final deliverables have been submitted and accepted before the final invoice is approved for payment.

If the invoice is satisfactory, UG requires that it be paid within 30 days of receipt. Subrecipient invoices should be reviewed immediately upon receipt to meet this requirement.

If any of the above items are not satisfactory, the PI should contact the subrecipient and copy the SPA Contact. PI should notify the SPA Contact if any assistance is needed in resolving the issue. Once an acceptable invoice is received, the 30 day requirement begins.

Properly prepared invoices and cost sharing certifications are approved by the PI or their designee and approvals are forwarded to SPA. SPA will forward the invoice to the applicable Accounts Payable office for payment.

- g) Subawards between campuses within the LSU system are considered intra-agency agreements. The same review and approvals are required but these agreements do not have purchase order numbers. The intra-agency invoices are paid via a journal and not processed through Accounts Payable.

10. Facilities and Administration (F&A) Costs

- a) F&A costs (sometimes called Indirect Costs) per UG, are those costs that are incurred for common or joint objectives, and therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any institutional activity. F&A costs are normally classified under the following categories: depreciation, general administration expenses, maintenance expenses.
- b) F&A costs may more usefully be defined as the cost of using the University's facilities and administrative support. Per UG, federal agencies shall use the negotiated rates for F&A costs in effect at the time of the initial award throughout the life of the sponsored agreement. Life for the purpose of this subsection means each competitive segment of funding of the project.
- c) The negotiated rate in effect at the time of the initial award should be used throughout the life (competitive segment) of the project. If the life of the project extends beyond the length of the F&A rate agreement, the rate approved for the last negotiated F&A period shall be extended through the end of the competitive segment.
- d) LSU Resources:
 - Cost Accounting Standards Board Disclosure Statement for Educational Institutions ([CASB DS-2](#))
 - Approved Facilities and Administrative Agreements: [F&A Rate Schedules](#)

11. Unallowable Costs for Sponsored Agreements [FASOP: AS-21](#)

a) Unallowable costs are those costs which are not allowable under the terms and conditions of federally sponsored agreements and/or those costs specifically identified as unallowable in the UG. Normally the following expenditures (not all inclusive) are unallowable as a direct charge to a sponsored agreement without specific written approval or included in the sponsor approved budget and budget justification:

- Advertising of position & moving costs – unless included in the budget.
- Alcoholic Beverages
- Alumni and Development Activities
- Automobile Repairs
- Bad Debt Expense
- Commencement and Convocation Costs
- Copier Rental/Maintenance
- Entertainment
- Extra Compensation for Professorial or Professional Employee
- Fines and Penalties
- Fund Raising
- General Purpose Equipment i.e. computer, copying, printing, equipment
- Goods and Services for personal use
- Lobbying Costs
- Local Telephone calls (long distance calls are allowable)
- General Maintenance and Repair Costs
- Memberships/Subscriptions
- Monthly Cell Phone Base Charge
- Office Furniture – file cabinets, chairs, desks, calculators, computers
- Office Supplies pens, paper, toner
- Postage (routine)
- Proposal Development Costs Software (Windows, Microsoft Office, Adobe, etc.)
- Subcontractors without Written Approval
- Telephone Rental and Line Charges
- Utilities

12. Cost Sharing and Matching on Sponsored Projects [FASOP: AS-06](#)

a) Cost sharing and matching are defined as that portion of sponsored project costs not borne by the project's sponsor. Cost sharing should only be included when required by the sponsor or approved by the Vice President for Research and Economic Development. When the University shares in the costs of a sponsored project, it generally does so by committing the effort of university personnel to a project without charging the project for those costs.

- b) The UG requires that all cost sharing and matching on sponsored projects be properly documented in the University's accounting records.
- c) SPA will establish a separate grant for each source of funds provided. All spend should occur on the grant established expressly for that portion of the cost sharing. To request a cost sharing grant, the appropriate form must be completed. Cost Sharing forms can be found on the SPA website:
[AS 851: Request to Establish Cost Sharing Grant | Unrestricted](#)
[AS 852: Request to Establish Cost Sharing Grant | Restricted](#)
[AS 853: Request to Establish Cost Sharing Grant | LSU Foundation](#)
- d) Types of Cost Sharing
- Personnel costs must be documented on the award grant line in order to qualify as cost sharing. (Note: Any University employee who spends 5% or more of their time on a specific sponsored project should have that portion of their salary charged directly to the sponsored project. If budgeted as cost sharing, the effort should be cost shared to the sponsored project.)
 - Non-personnel costs used as cost sharing or matching must be documented in a separate award line created for that purpose. It can be the same line as salary if the same source of funds. Allowability of costs incurred to meet matching requirements will be determined by the terms and conditions of the award document.
 - SPA will automatically add the related FB and F&A costs when reporting cost sharing expenditures to the sponsoring agency.
 - Equipment should not be offered as cost sharing unless receipt of the award is contingent upon such cost sharing.
 - Other sponsored agreements may be used as cost sharing or matching if written approval is obtained from each sponsor. If the cost sharing award is fixed price, SPA must classify it as CR if it is cost sharing to a CR award.
 - In-kind contributions (e.g., equipment, supplies, personnel) from third parties may also be committed as cost sharing or matching if the value of such contributions can be properly documented. The preferred method of documentation requires the contributor to submit signed and pre-numbered invoices indicating the amount due is zero to the PI who approves and forwards each invoice to SPA. The [AS 560: Certification of In-Kind Cost Sharing](#) may also be used.

- Unrecovered F&A costs may be included as part of cost sharing or matching funds only with prior approval of the sponsor. Unrecovered F&A costs are the difference between the fully negotiated F&A rate and the rate allowed to be charged to the sponsored project.
- e) Cost Sharing Documentation
- The PI of a sponsored project is responsible for documenting the matching or cost sharing commitment for the project or coordinating such documentation during the project period through their department chair.
 - In order to use funds as cost sharing or matching to a sponsored project, the function must match the function of the sponsored project. Thus, sponsored research projects must be matched by research funds, training projects by instruction funds, and public service projects by public service funds. Non-federally funded restricted accounts may also be used to satisfy a cost sharing obligation in a like function.
 - Cost sharing or matching funds must be expended within the project period of the sponsored agreement which they support.
 - Funds can only be cost shared to one project.
 - Generally, sponsor funds and cost sharing funds should be spent at the same rate throughout the project period. For example, when 10% of the sponsor funds have been expended, approximately 10% of the cost sharing funds should have also been spent.

13. Program Income

- a) Program income is gross income earned by the recipient that is directly generated by a supported activity or earned because of the award.
- b) Pursuant to federal regulations, all revenues and expenditures associated with program income must be documented in the University's official accounting records.
- c) Program income can come in many forms including the following examples:
- Fees from participants at conferences or symposia.
 - Fees for services performed, such as laboratory tests.
 - Sale of software, tapes, or publications.
 - Sale of research materials such as animal models or reagents.
 - Money received from the use, sale, or rental of equipment purchased with project funds.
 - Sales of supplies or equipment purchased or fabricated with project funds.

- d) The use of program income is generally defined in the grant agreement. If a research project is being performed, program income is usually additive, meaning that any program income is treated as additional funding available for the conduct of the research project. Other agreements may indicate that the program income is to be treated as deductive (the amount of program income earned is subtracted from the Federal obligation leaving the funding the same, but from two sources), or program income can be stipulated as being used to meet any matching or cost sharing requirements of the project.
- e) Program Income should always be spent before grant funds. Workday automatically deducts the program income received from expenditures.

14. Cost Transfers on Sponsored Projects [FASOP: AS-07](#)

- a) A cost transfer is an after-the-fact reallocation of the cost associated with a transaction from one account to another. A cost transfer is any transfer of expenditures to a sponsored project via a manual journal or a payroll accounting adjustment. Federal agencies and auditors place a great deal of emphasis on reviewing transfers of expenditures.

Observed Activity	Potential Compliance or Management Issues
Frequent cost transfers at the start of projects, especially cost transfers greater than 90 days	Late award setups, “parking” charges until account is established
Late or high volume of cost transfers coinciding with effort certification	Labor distribution not being monitored
High volume cost transfers through the life of the award	Poor management of funds or poor accounting practices
High volume of cost transfers near or after the end of an award	Surpluses or shortfalls being transferred on or off of awards

- b) All accounts should be reviewed timely to be certain all expenditures have been properly charged. If a cost transfer is required, please follow these guiding principles:
 - The cost must be a proper and allowable charge to the project to which it is transferred.
 - To be allowable, cost transfers must be timely, fully documented, conform to university and sponsor allowability standards.
 - The cost transfer must be timely – within 90 days from the end of the month in which the original entry was recorded. Requests for cost transfers to be

processed beyond the 90 days must include an explanation of the extenuating circumstances that prevented the cost transfer from being made earlier and requires the additional approval of the department head and the Director of SPA (or their designee).

- The cost transfer request must be supported by documentation that contains a full explanation and justification for the cost transfer. An explanation which merely states that the transfer was made “to correct error,” “to transfer to correct project,” or “to clear overdraft” is not acceptable. A copy of the pdf version of the expenditure report from Workday with the expenditure identified (e.g., highlighted, underlined) must also be attached.
 - For a non-payroll cost transfer, [Form AS226](#) must be completed to transfer expenditures to a sponsored agreement. Attach to the Accounting Journal in Workday.
 - For a payroll cost transfer, [Form AS227](#) must be completed to transfer payroll to a sponsored agreement. Attach to the Payroll Accounting Adjustment in Workday.

c) Some helpful hints when completing the AS226 or AS227:

- Why is the transfer being done retroactively? Please explain how the error occurred.

Explain why the charge is being transferred. Why wasn't the item originally charged to the account? Was the cost center manager given an incorrect grant? Was a grant not established? If an AS227, once the reason is given, state that the transfer is being done to properly allocate the employee's effort.

- What is the benefit to the account being charged? Describe how this charge is a proper and allowable cost to the sponsored project. (include the sponsor's name and project title) to which the charge is being transferred.

When answering this question, explain the type of work being done. Simply stating that the employee worked on the project does not tell how it benefits the project.

- What were the extenuating circumstances which prevented this transfer from being processed timely?

Explain why it took so long to process the transfer. Were ledgers not reviewed regularly?

- What corrective actions have been taken to eliminate future needs for cost transfers of this type?

State what will be done to rectify the situation so that it does not happen again in the future.

- d) Cost transfers to expired fixed price agreements, Foundation, gifts, or state appropriations (unrestricted funds) only require submission of a manual journal with a copy of the ledger sheet with the expenditure appropriately annotated. An AS226 or AS227 is not required.
- e) Cost transfers are not allowable following the submission of the final expenditure report to the sponsor, unless they involve reconciling items of which the SPA contact was aware.
- f) Constant or frequent transfers raise serious questions about their propriety as well as the overall reliability of the accounting system and internal controls.∴
- g) Job aids are located on LSU Workday website:
 - Financial Accounting: [Create Journal Entry: Correction Journal](#)
 - Payroll: [Create Payroll Accounting Adjustment](#)

15. Effort Reporting FASOP: AS-30

- a) As a recipient of federal funding, Louisiana State University is required to comply with the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as well as other federal requirements, for certifying effort expended on sponsored awards. LSU requires all individuals who receive sponsored funding to comply with university policies and procedures, and sponsoring agency regulations regarding reporting of effort to awards.
- b) Effort certification in Workday is an after-the-fact reflection of an employee's workload percent distribution during a particular reporting period. All academic, professional, and classified employees whose salary is paid in whole or in part on a grant account will receive an effort certification on a quarterly basis. The employee (or their delegate) must verify the accuracy of effort percentages and certify that the information captured on the effort certification is a direct reflection of the work performed within the reporting period of certification.
- c) Online Resources:
 - [Certifying Effort as an Employee](#) job aid
 - [Effort Certification Schedules](#)

- d) If you have a question about your effort certification, please email effortassistance@lsu.edu.

C. CHANGING THE TERMS OF AN AWARD

1. Prior Approvals & Revision of Budget Plans

- a) Many federal agencies have transferred the authority to approve a variety of post-award changes internally under expanded authorities.
- *Expanded Authority*
A certain degree of latitude to rebudget within and between budget categories to meet unanticipated needs and to make other types of post-award changes.
 - [NSF Research Terms and Conditions Appendix A Prior Approval Matrix](#)
- b) Under expanded authorities, agencies can authorize universities to:
- Approve one no cost extension of up to 12 months
 - Payment of additional compensation to employee
 - Incur pre-award costs 90 calendar days prior to award at their own risk
 - Approve equipment purchases (special or general purpose)
 - Carry forward unobligated balances to subsequent funding period
- c) The following changes require sponsor approval and must be justified:
- Change in scope or objective of project
 - Change in PI and/or key personnel
 - Absence more than three months, or a 25% reduction in time devoted by the PI
 - Need for additional federal funding
 - Transfer of funds allotted for training allowances (direct payments to trainees) into other categories
 - Subaward or transfer of significant portion of work, unless approved in original award pre-award spending more than 90 days prior to start date of award
 - Re-budgeting of direct costs categories where federal award is >\$250,000 and cumulative amount of transfers exceeds 10% of total budget
 - Purchase of equipment not in approved budget
 - Pre-award spending within 90 days prior to start date of award
 - Request for a one-time no-cost extension of up to 12 months, provided reason is not simply to spend remaining funds
- d) Universities must have written processes in place; therefore, LSU documents internal prior approvals via a modification / prior approval request record routed in Geaux Grants.

- e) AgCenter PIs must complete the AgCenter Modification Request Form and send to the SPA contact.
- f) Federal agencies may restrict the transfer of funds among direct cost categories for awards in which the Federal share exceeds \$100,000 and cumulative amount of such transfers exceed 10% of the total budget.
- g) Rebudgeting forms are available on SPA's website:

[AS 529: Board of Regents Rebudget Request \(Enhancement Contracts\)](#)

[AS 530: Board of Regents Rebudget Request \(Research & Development Contracts\)](#)

[AS 555: Rebudget Request](#)

2. No-Cost Extensions

- a) No-cost extensions that can be approved internally should be routed to OSP via Geaux Grants. OSP must notify the Federal agency of extension requests at least 10 days before the expiration date of the agreement. Please allow enough time for the request to be routed internally and proper written notification to be given to the sponsor.
- b) AgCenter PIs must complete the AgCenter Modification Request Form and send to SPA contact.
- c) LSU can only grant one no-cost extension up to 12 months on agreements with expanded authority. If a PI requests a six-month extension internally and additional time is subsequently required, the second request must be submitted by the PI to the sponsor through OSP.
- d) No-cost extensions may not be exercised merely for the purpose of using the unobligated balance.
- e) If a no-cost extension cannot be approved internally, the PI must route the request through OSP/Geaux Grants before sending the request to the sponsor.

3. Reduction of PI Effort

- a) According to UG, federal sponsors must be notified, or sponsor approval is required if a PI or Co-PI is disengaged from the project for more than three months or if there is a 25% or more reduction in the time devoted to the project. Please notify SPA in either case.
- b) To assist in monitoring Key Personnel, the following reports are available:

[Award Key Personnel](#) & [Award Key Personnel Commitments](#) Report job aids can be found on the following LSU Workday website under the following sections:

- [Finance Training](#)
 - [Grants](#) section
 - [Effort Certification](#) section
 - [Just for Faculty](#)
 - [Grants](#) section
 - [Effort and Leave Certification](#) section
- c) Cost sharing in lieu of directly charging the sponsored agreement as a way of documenting key personnel effort is contrary to university policy since effort can only be cost-shared if required by the sponsor. LSU's cost sharing policy, [FASOP: AS-06](#), states that cost sharing should be committed only when required by the sponsor as a funding stipulation. The salary for key personnel included in the approved budget should be charged directly to the sponsored agreement.

D. BASIC GIFTS

1. University Foundation Basic Gifts

- a) University Foundation basic gifts are established by the University when requested and approved in writing by the department head and Dean.
- b) The following information must be included on the [AS492: Request to Establish Basic Gift - LSU Foundation](#)
- Purpose/function of the account. The function must be the same as the donor's intent.
 - The Foundation project ID
 - Effective Date, if different than the date of the request
 - Principal Investigator's Name
 - Cost center contact person and phone number
 - Scholarship/fellowship criteria and other donor restrictions must be attached if requesting a scholarship/fellowship account. Also, if for scholarship/fellowship, page 2 must be completed.
 - Form must be approved by the LSU Foundation.
- c) The University will charge the current FB rates (regular, transient/WAE, and GA) and GA tuition remission rate. Normally, F&A costs are not charged to University Foundation accounts.
- d) Completed forms should be sent to the Foundation for approval. The Foundation will then forward to SPA for account set up at spa@lsu.edu.

- e) A basic gift worktag will be in the format of **BG000000**.

2. Other Basic Gifts

- a) All cash gifts should be routed through the LSU Foundation.
- b) In the rare circumstances where there is a basic gift that was not received by the Foundation, the University will charge the current fringe benefit rates (regular, transient/WAE, and GA) and GA tuition remission rate. Normally, F&A costs are not charged to Basic Gift accounts.