CHAPTER FIVE: Award Acceptance and Account Establishment

- 5.1 Types of Awards/Funding Mechanisms
- 5.2 Signature Authority
- 5.3 Establishment of Award Accounts (aka Chartfield/Speedtype)
- 5.4 Period of Performance
- 5.5 Pre-Award Costs
- 5.6 Establishment of a Chartfield/Speedtype Based Upon the Guarantee of Funds

5.1 Types of Awards/Funding Mechanisms

Grants

Grants typically provide financial assistance for basic research, training, or community service projects and are usually Principal Investigator/Project Director (PI/PD) initiated. Funding agencies typically provide standard terms and conditions; therefore, negotiation by the Office of the Executive Vice President for Research and Innovation is often not necessary.

Contracts

Contracts detail the terms and conditions by which a Sponsor will provide financial support for a specific purpose or scope of work. These terms and conditions generally must be negotiated to ensure compliance with University policy. Negotiations are conducted by the Office of Sponsored Programs Administration (SPA), the Clinical Contracts Division (CCD) or the Office of Industry Engagement (OIE) (dependent upon the Sponsor and project type), with assistance from the PI/PD, the Office of Technology Transfer (OTT), University Research Counsel and other Institutional offices as needed.

Subawards

A Subaward is an award provided by a pass-through entity to a subrecipient in order for the subrecipient to complete a specific component of the award received by the pass-through entity. UofL may act as either a subrecipient (incoming subawards) or as a pass-through entity (outgoing subawards). An incoming subaward is typically handled in the same manner as a standard award that is received by the University. Outgoing subawards are managed by the office that handles the prime award to the University. Subawards on Federal projects are subject to the Subrecipient Management and Monitoring regulations outlined in 2 CFR 200.

Other Award Types

Cooperative Agreements, state purchase orders, etc., that meet the definition of a Sponsored Activity are reviewed/executed and have accounts established through SPA, CCD, or OIE as dictated by the Sponsor and project type.

Related Guidance

A Guide to Which EVPRI Offices Handle Which Projects
5.2 Signature Authority

Only specific designees within SPA, CCD, and OIE have been delegated signature authority by the President of the University. Under no circumstance is a PI/PD or non-designated University employee to sign/execute a sponsored agreement on behalf of the University.

5.3 Establishment of Award Accounts (aka Chartfield/Speedtype)

Upon receipt of official notification of an award, such as a Notice of Grant Award or fully executed contract from the Sponsor, SPA/CCD/OIE (as appropriate) will establish a chartfield/speedtype for the project. Awards will not be established in the PeopleSoft financial system until SPA/CCD/OIE has received a completed Proposal Clearance Form (PCF)/Multi Institutional Research Application (MIRA), current Conflict of Interest requirements (as applicable/required), a copy of the final proposal or scope of work (if applicable), a current project budget, a fully executed award/agreement document and required compliance documents (IRB, IACUC, etc.). NOTE: If a subrecipient is involved in the project all subrecipient documentation must be completed prior to execution of the subaward.

Once SPA/CCD/OIE has established the chartfield/speedtype, an email will be generated and routed to the PI/PD and the Unit Business Manager or other designated individual. This correspondence will outline the PI/PD’s responsibility in complying with University and Sponsor guidelines and regulations. Additional correspondence will include a copy of the finalized award documentation and instructions for reviewing and approving the award details (i.e. budget, budget period, cost share, etc.) as outlined in the Award Summary Report (University Report UBM-13A). Once the award details are confirmed/approved by the PI/PD or designee, the chartfield/speedtype is activated and spending may begin on the project.

5.4 Period of Performance

The Period of Performance is the time during which the University may incur obligations and expenditures to carry out the work authorized under an award. The Period of Performance will be defined in the award agreement (i.e., the Notice of Award) and will be entered into the PeopleSoft financial system when the chartfield/speedtype is established. Expenditures or charges to an award may occur only during the Period of Performance unless pre-award costs are allowed as detailed in Section 5.5 Pre-Award Costs. All expenses for an award should be incurred prior to the end date of the award or the expenses may be unallowable as a direct charge to the project. Extensions to the Period of Performance must be approved by SPA/OIE/CCD as dictated by the Sponsor.

5.5 Pre-Award Costs

Pre-award costs are those costs incurred prior to the effective date of an award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary for the efficient and timely performance of the scope of work. Some Federal Sponsors allow an institution to incur charges on sponsored agreements up to 90 days prior to the actual start date of the award. Such costs are allowable (per 2 CFR 200, Section 200.458) only with the written approval of the Federal awarding agency, however, some Federal Sponsors (ex: NIH) have waived the prior approval requirement in certain circumstances. PIs/PDs should review the specific Sponsor guidelines and terms and conditions prior to requesting pre-award spending privileges. Pre-award costs are always incurred at the risk of the University and these expenditures must meet the same guidelines of allowability, allocability, and reasonableness as described in Section 6.1 of the Research

Related Policy

Pre-Award Spending Policy

5.6 Establishment of a Chartfield/Speedtype Based Upon the Guarantee of Funds

When a PI/PD is anticipating an award to be issued, he/she may request that a chartfield/speedtype be established ahead of receipt of the official award documentation based upon a guarantee of funding. A guarantee request may be issued to either 1) allow for pre-award spending in advance of the project’s start date, if authorized by the sponsoring agency, or 2) allow for the chartfield/speedtype to be established based upon the actual anticipated start date should delays in receipt of the notice of award occur or be anticipated.

The request can guarantee funding in three ways:

1) A guarantee for a certain type of expenditure(s), for instance salary and fringe benefits only;

2) A guarantee for a specified dollar amount in any category of the proposed expenditures;

3) A guarantee for the entire proposed project budget.

In those instances in which a project will continue into another fiscal year (such as an annually renewed state project), SPA/OIE/CCD can establish a chartfield/speedtype for the next year during the annual “Planning and Budget preparation” period. This allows payroll appointments to continue in the new fiscal year. The PI/PD must make a request through his/her department chair for a guarantee of funding directly to the appropriate institutional office (SPA/OIE/CCD).

Related Guidance and Procedure

Guarantee/Pre-award Spending Chartfield and Speedtype Request Procedures

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