



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 65.03, **Sponsored Program Fund Management**

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to establish the requirements for managing sponsored program and clinical trial accounts.

REVIEW: This HSCEP OP will be reviewed May 15 of every odd-numbered year by the director of Accounting Services, the directors of Sponsored Programs (SP), and the assistant vice president of finance administration, with recommendations for revisions submitted to the vice president for research and the chief financial officer by June 1.

POLICY/PROCEDURE:

1. Departmental Responsibilities

A. Departments are responsible for the fiscal management of awarded projects since departmental personnel are directly involved in completing the work and have the most comprehensive understanding of the project's scope and requirements. Principal Investigators (PIs), Fund Managers, and/or other designated departmental personnel are responsible for actively monitoring all project fund activity throughout the term of the grant or contract to ensure the following:

- 1) Budgets are accurate and updated appropriately. The project budget should be entered as submitted to and approved by the grantor. No expense or purchase order can be processed on a project fund unless there is a budget established with adequate budget in the expense pool.

To establish a budget, or if a budget adjustment is necessary, a budget revision should be submitted through the online Budget Revision System. If sponsor approval is required for the budget adjustment, the sponsor's approval should be submitted with the budget revision.

- 2) Revenues have been received and are recorded according to the grant guidelines. Departments are responsible for completing revenue billings for fee for service, clinical trial, per patient, milestone or fixed price contracts. Cost reimbursement grants are billed by Contracts and Grants Accounting (CGA). Departments are responsible for ensuring that billed revenue is collected. For detailed information regarding Grant, Award, and Contract Billings refer to HSCEP OP 50.04.
- 3) Project costs are managed according to the grant guidelines and comply with HSCEP OP 65.04. Departments are responsible for ensuring expenses directly related to the project are allowable and appropriate. A list of general allowable and unallowable costs can be found in OMB 2 CFR 200 Subpart E and HSCEP OP 65.04 Attachment A.
- 4) Cost Share Fund is established if required. Departments are responsible for recognizing and understanding any mandatory/committed cost share requirements agreed upon per the grant award document. Departments must be fully aware of how these cost share requirements will be met throughout the duration of the project. For detailed information about Cost Sharing on Sponsored Programs, refer

to HSCEP OP 65.11.

- 5) To provide and maintain effort reporting of any personnel paid on a sponsored project. Departments are responsible for understanding effort certification requirements, effort reporting, and how to accomplish this reporting, as outlined in HSCEP 65.07. Departments also must understand if any personnel are paid above any existing grantor salary caps and how to handle the reporting of those overages.
- B. Departments are responsible for monitoring all project fund activity throughout the term of the grant or contract and no less frequently than monthly.
- 1) For budget errors, a budget revision should be submitted through the Budget Revision System. These revisions will be routed to SP for approval.
 - a. Budget adjustments which do not require sponsor approval should be submitted within ten (10) business days of the discovery of the error.
 - b. Budget adjustments requiring sponsor approval should be submitted within ten (10) business days after receiving sponsor approval. Documentation of sponsor approval should be submitted with the budget revision.
 - 2) For non-payroll expense errors, a cost transfer should be submitted.
 - a. Cost transfer requests are due within ninety (90) days from the original expenditure date. Cost transfers may be processed using the Financial Transaction System (FiTS). For cost transfers involving a reclassification of the account code or a cost incurred in a prior year, a manual cost transfer form must be completed accordingly per HSCEP OP 50.18 and submitted to CGA since these types of cost transfers cannot be processed in FiTS.
 - b. At fiscal year end, all cost transfers must be received by CGA in compliance with HSCEP OP 50.30 regarding year end deadlines.
 - c. Cost transfer requests will be denied if they do not include sufficient supporting documentation and a clear explanation justifying the benefit to the grant for the costs being transferred. Proper justification is required to ensure that the transfer aligns with the goals and allowable expenses of the sponsored program.
 - 3) For payroll errors, a request for labor redistribution must be submitted via the online Labor Redistribution system. The labor redistribution will be routed through the Budget Office to ensure adequate justification is provided. Labor redistributions may require correction to previously certified effort statements, if applicable. Detailed instructions for using the Labor Redistribution system are located at <https://el Paso.ttuhs.edu/fiscal/businessaffairs/budget/training.aspx>
- C. Any programmatic, technical, deliverables or progress reports required by the sponsor will be completed by the PI, Fund Manager or other designated departmental personnel, as well as any other required reporting to the sponsor. Depending on the sponsor's guidelines and agreement, SPs may need to submit reports via email or sponsor portals; otherwise, a copy needs to be provided for SP records. While CGA will complete any financial reporting, departments are responsible for assuring that all transactions adhere to institutional policies and procedures, governmental accounting standards, and rules established by the authoritative governing bodies.

2. Sponsored Programs Responsibilities

- A. SP will review all budget revisions to ensure compliance with sponsor guidelines.
- B. SP will verify all project extensions and communicate any changes to the original award document to CGA.
- C. SP will serve as the liaison between the funding agency and the institution and assist with subsequent questions and changes.

3. **Contracts and Grants Accounting Responsibilities**

- A. CGA will review all cost transfers to ensure compliance with HSCEP OP 50.18.
- B. CGA will review all budget revisions to ensure compliance with sponsor guidelines.
- C. CGA will complete any financial reporting required by the sponsor with assistance from departmental personnel as needed.
- D. Controls exist within the financial system for grant funds to assist in monitoring budget, beginning and end dates, and indirect cost (IDC) percentages. However, ultimate responsibility for all grant activity lies with the fund manager and his/her delegates.
 - 1) Budget controls will alert CGA or the online system user when costs in excess of budget are being processed. These costs cannot be processed without CGA and Budget Office approval. Such costs will need to be applied to the backup fund provided in the new fund request unless a budget revision is submitted.
 - 2) Grant beginning and end dates will alert CGA or the online system user when transactions outside the project period are being processed. These transactions cannot be processed without CGA and SP approval. Such costs will be applied to the backup fund provided with the new fund request unless documentation is provided showing sponsor approval of costs outside of the grant period.
 - 3) IDC percentages will be charged by the system according to the information provided in the new fund request documentation. CGA should be notified immediately by the department if IDC is not being charged or if an incorrect IDC percentage is being applied.