



Title	Sponsored Project Expenditures: Approval and Monitoring
Policy Owner	Office of the Vice President for Research, Sponsored Program Services
Applies to	All faculty, staff and students
Campus Applicability	All campuses
Effective Date	12/30/2022
For More Information Contact	Office of the Vice President for Research, Sponsored Program Services
Contact Information	860-486-3622 (Storrs and Regional Campuses) 860-679-4040 (UConn Health)
Official Website	http://ovpr.uconn.edu (Storrs and Regional Campuses) http://ovpr.uhc.edu (UConn Health)

PURPOSE

Sponsored project expenditures must be in accordance with standards set forth by the sponsor. Federal expenditures must comply with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, commonly referred to as Uniform Guidance. Adherence to these cost principles is necessary to prevent cost disallowances, penalties, and/or fines. Expenditures on sponsored projects must conform to individual sponsor requirements.

APPLIES TO

All faculty, staff, and students involved in the administration of sponsored projects at University of Connecticut and all regional campuses, and UConn Health ("University").

DEFINITIONS

Direct Costs: Those costs that can be identified specifically with a particular sponsored project and that can be directly assigned to such activities relatively easily and with a high degree of accuracy.

Facilities and Administrative Costs (F&A): Those costs that are incurred for common or joint objectives that cannot be readily identified with an individual project or program.

Uniform Guidance: Uniform Guidance is a government-wide framework of authoritative rules and regulations for federal awards that is issued by the Office of Management and Budget (OMB). The full title is the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

POLICY STATEMENT

This policy outlines the standards for the allowability of a charge to a grant and the approval and monitoring of expenditures to ensure compliance with federal and state requirements, sponsor

terms, and University policy.

Sponsored projects administration is a joint effort between the Principal Investigator (PI) and the University. The PI is responsible and accountable for the management and administration of his/her/their award within the constraints imposed by the sponsor and in accordance with UConn policy. Along with the PI, the University is legally and financially responsible and accountable to the sponsor for the performance and proper use of funds for the award, and relies on the oversight of the PI in fulfilling its stewardship role.

All costs charged to a sponsored project must be in conformance with the award terms and conditions of the sponsored project, the Uniform Guidance in the case of federal sponsored projects, federal and state law, and University policy.

I. Federal Regulations: The Uniform Guidance

Per Uniform Guidance (§200.403), in order for a direct cost to be an allowable cost on a sponsored project, the cost must:

- a. Be necessary and reasonable for the performance of the federal award and be allocable under these principles;
- b. Conform to any limitations or exclusions set forth in these principles or in the federal award as to types or amount of cost items;
- c. Be consistent with policies and procedures that apply uniformly to both federal and non-federal activities of the University;
- d. Be accorded consistent treatment. (A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost);
- e. Be determined in accordance with generally accepted accounting principles (GAAP);
- f. Not be included as a cost or used to meet costsharing or matching requirements of any other federally-financed program in either the current or a prior period;
- g. Be adequately documented.

Subpart E of the Uniform Guidance provides general provisions for selected items of costs. In accordance with this part, the following costs are unallowable:

- a. Meetings, conventions, convocations, or other events related to other activities of the entity (University) (200.421(e)(2));
- b. Alcoholic beverages (200.423);
- c. Alumni/ae activities (200.424);
- d. Bad debts (200.426);
- e. Costs of contributions and donations, including cash property and services, from the non-federal entity to other entities (200.434(a));
- f. Costs of goods or services for personal use (200.445(a));
- g. Costs related to securing patents and copyrights where the costs to prepare disclosures, reports, and searching the art are not required by the federal award or where the federal award does not require conveying title or a royalty-free license to the federal government in the case of filing and prosecuting any foreign patent application (200.448(2));
- h. Costs incurred for interest on borrowed capital, temporary use of the endowment funds, or the use of the non-federal entity's own funds (200.449(a));
- i. Lobbying to influence activities associated with obtaining grants, contracts, cooperative agreements or loans, and executive lobbying costs (200.450(a) and 200.450(b));

- j. Losses on other awards or contracts (200.451);
- k. Membership costs in any country club or social or dining club or organization and membership costs in organizations whose primary purpose is lobbying (200.454(d) and 200.454(e));
- l. Selected relocation costs such as loss on the sale of a former home and continuing mortgage principal and interest payments on a home being sold (200.464(d));
- m. Student activity costs (200.469);
- n. Travel costs for dependents when the duration is less than six months (200.475(c)(2)) (University policy does not allow reimbursement for dependent travel costs);
- o. In addition to the list above, the federal sponsor may not allow other costs in accordance with sponsor policy and the terms of the award.

II. Direct Cost Expenditure

Principle Investigators have the responsibility to verify that charges on his/her/their awards are allowable. Investigators may receive assistance on financial tasks from the Fiscal Officer (FO) at Storrs and regional campuses, or the Department Administrator (DA) at UConn Health, and Sponsored Program Services (SPS). However, the PI retains the responsibility for the review and approval of charges on his/her/their sponsored project(s). PIs review and approval of expenditures is to assure that:

- a. for federal awards, direct costs meet the standards of an allowable cost per the Uniform Guidance (see "I." above);
- b. direct costs meet the specific terms of the project and are reasonable, allocable, and allowable;
- c. expenditures occur within the project period;
- d. expenditures are appropriately documented;
- e. expenditures meet the limitations of the sponsor-approved budget.

III. Expenditure Review

Transaction review and budget monitoring are essential components of an integrated system of control activities. Along with preventative controls, after the fact financial reviews provide reasonable assurance, but not absolute assurance, that financial activity is accurate, valid, and complete.

- a. The PI will make a timely review of project expenditures and remaining balances;
- b. The PI and FO/DA will review reports of expenditures charged to each sponsored project to ensure allowability and to take prompt corrective action when costs are determined to be unallowable. The PI and FO/DA will monitor the budget and submit rebudget requests when necessary which are approved by SPS.

IV. Prior Approval for Certain Expenditures

Sponsor prior approval is often required for certain direct cost expenditures. The Uniform Guidance, sponsor grant policy, and the award terms and conditions include these requirements. For non-federal sponsors, if the award does not include specific requirements, Principal Investigators should follow the guidance for federal grants and cooperative agreements unless otherwise approved by the sponsor and the University. For federally funded awards, and in accordance with the Uniform Guidance (200.407), prior written approval from the sponsor is required before the expense can be incurred. Common examples of these types of costs include the

addition of a subaward or purchase of equipment that was not included in the proposal and administrative expenses.

V. Roles and Responsibilities

Principal Investigator (PI):

Except as noted, these steps may be performed by another investigator on the project or technical designee.

1. Apply the factors of allowability (in accordance with the Uniform Guidance for federal awards) regarding a cost prior to requesting, incurring, or processing an expenditure. Provide and/or maintain documentation of the appropriateness of the expense in conjunction with the project.
2. Provide the FO/DA documentation or maintain such documentation of the expenses of the project.
3. Authorize requests for expenditures including goods, services agreements, subawards, and personnel expenses;
4. Ensure expenditures occur within the project period;
5. Monitor and approve payments for consultant services and subawards (PI approval);
6. Monitor project expenditures to confirm they are allowable, allocable, and reasonable and promptly request the FO/DA make corrections upon identifying a charge that needs to be removed from the project;
7. Approve all cost transfers;
8. Monitor budgets and submit, or have the FO/DA submit, budget revisions to Sponsored Program Services;
9. Obtain prior approval through SPS when required by the sponsor's terms and conditions before funds are committed or expended on the sponsored project (PI approval).

Fiscal Officer (FO)/Department Administrator (DA):

1. Apply the factors of allowability (in accordance with Uniform Guidance for federal awards) prior to approving an expenditure;
2. Ensure PI or his/her/their designee provides adequate justification/documentation of the expense on the project;
3. Review reports of expenditures charged to each sponsored project to ensure expenditures are allowable and review any reconciling items or budget overruns with PI and aid in the submission of cost transfers and/or rebudget requests;
4. Alert the PI and/or SPS to issues and concerns.

Sponsored Program Services (SPS):

1. Apply the factors of allowability (in accordance with Uniform Guidance for federal awards) prior to approving an expenditure;
2. Review and approve purchase requisitions as required in the University's financial system and subawards;
3. Review and approve cost transfer requests;
4. Process non-payroll and certain payroll cost transfers in the University's financial system;
5. Facilitate, review, and approve sponsor prior approval requests;
6. Review and approve rebudget requests;
7. Process budget revisions in the University's financial system;

8. Monitor grant expenditures and review all expenditures prior to financial closeout and ensure all unallowable expenses are removed.

Accounts Payable/Payroll/Procurement

1. Ensure expenditures are in compliance with University requirements.

ENFORCEMENT

Violations of this policy may result in appropriate disciplinary measures in accordance with University Laws and By-Laws, General Rules of Conduct for All University Employees, applicable collective bargaining agreements, and the University of Connecticut Student Code.

PROCEDURES/FORMS

UConn Storrs and Regional Campuses:

[Direct and Indirect Costs of Federal Grants and Contracts, Policy CADS1](#)

[General Cost Principles](#)

[Federal Costing Principles Training Slides](#)

[Cost Transfer Policy](#)

UConn Health:

[Budget Preparation Guidelines and General Cost Principles](#)

[Federal Costing Principles Training Slides](#)

[Cost Transfer Policy](#)

POLICY HISTORY

Policy created:

This policy combines previous policies at Storrs/regional campuses, and UConn Health to create one common policy for Storrs/regional campuses, and UConn Health:

Storrs/Regional Campuses Policy, "Sponsored Project Expenditures: Approval and Monitoring," created on 2/26/18

UConn Health Policy 2002-39, "Direct Costs Expenditures," created on 2/25/2002, and revised on 11/8/2016