

EXTRAMURAL SUPPORT QUESTIONS AND ANSWERS

1. Where do we deposit residual revenue (registration fees from a conference) from a fixed price contract? What are the reporting responsibilities to the agency? Can the funds be spent for any purpose or limited to similar activities? How is this approached in an A-133 audit?

The revenue should be deposited in the 144 account set up with the fixed price contract. Fixed price contracts do not have restrictions on any balances of the account. You are free to spend the balance for any purpose as long as you accomplished the goal of the contract. Fixed price contracts are considered “arms length” agreements and are not included in the A-133 Audit. If you can get the work done for less, it is your profit. It also works the other way. If you overspend to get the work done, you would not get extra money from the federal agency.

2. How many years do we need to retain grant information on multiple-year grants?

OMB Circular A-110 states that records need to be retained for three years after the submission of the final report. In the case of a five-year grant, it would be three years after the submission of the final report after year 5.

3. Is an Overload Request needed for an academic staff member who is 100% during the academic year and is being hired for the entire year as a consultant through a subcontract?

Yes, any appointment over 100% needs to be approved by the federal agency and through an Overload Request form. If any portion of the faculty member’s salary (1/4 of salary from federal grant) is paid out of Federal money, the 100% employment limitation rule applies and the faculty member cannot accept overtime pay from his primary employer without prior approval from the federal agency. Federal agencies monitor this through “time and effort” reporting.

4. A Principal Investigator has some employees working on grants who are requesting vacation carry forward. What happens if they are working on another grant by the time the carry forward is actually used? Is there any liability on our part and how do we handle this?

Researchers are encouraged not to take vacation liability especially when someone is retiring or terminating employment. Supervisors are required to sign Leave Statements and should encourage employees to use the vacation the year earned. If a grant has expired and vacation is carried forward to another grant, the department can be held liable for part of the carry forward vacation.

There are circumstances where employees are paid on various sources and the vacation is carried forward within the department. The employee should use the

vacation in the first carryover year. It may not be reasonable to carry forward vacation to another college or school unless agreed upon. The questions needs to be asked, "Is it reasonable?" It is inappropriate to accumulate carry forward vacation for a long period of time on one grant and then take the vacation on another grant where the person has only worked for a short period of time (i.e., one year). Paying carry forward vacation to an employee who is retiring or terminating should be avoided. It is not appropriate to pay lump sums for carry forward vacation on an active grant where the vacation was not earned.

5. How is the Ad Hoc Program Specialist classification (payroll code Z91NN) used?

The Ad Hoc Specialist account code (1076) should be used to process lump sum payments to unclassified staff that provide services on an "ad hoc basis with limited work hours." This code cannot be used for Researchers, Research Assistants, etc., who also work approximately 12 hours a month. This account code has been used for staff involved in other activities considered "incidental work" (in excess of normal work) as staff teaching classes in the summer for a very short period of time. This code has also been used for specialists (budgeted in federal project) who are not UW staff who meet the above requirements. There is no salary range attached in order to accommodate a variety of situations. Grant administrators should work closely with their Human Resources specialists to assure staff assigned to extramurally supported projects is appropriately classified and titles are not chosen to attain a lower fringe benefit rate.

6. We have a Fund 133 scholarship award (foundation) but did not use the full amount of the award. Do we reduce the award amount after returning the partial award?

When sponsored projects do not get fully spent, the budget should be reduced to the level of expenditures. If necessary, a refund check should be cut to reduce the level of receipts to the same level of expenditures. Do not create "negative Regent Notices." Regent Notices are required to report the total amount of awards received.

7. Under the OFF-CAMPUS DEFINITION on the indirect cost policy, it states "For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s), the off-campus rate will apply." Does this actually mean that there has to be a rent expense incurred?

No, the off-campus rate is applied when more than 50% of the effort on a project is conducted more than 25 miles away from the campus without access to the facilities of the campus. Projects are considered totally off-campus when more than 50% of the effort is conducted away from campus. Projects are considered totally on-campus when 50% or more of the effort is conducted on campus.

8. What determines if a grant/contract is a subrecipient or a vendor?

OMB Circular A-133 defines subrecipient as a non-federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from the Federal awarding agency.

Vendor means a dealer, distributor, merchant or other seller providing goods or services that are required for the conduct of a Federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the Federal program.

9. Are discounts on equipment considered Gifts-In-Kind?

Gifts-In-Kind is defined in the Financial and Administrative Policies (GAPP 2) as "a combination of personal or real property which requires annual reporting by the institution." Discounts are not tangible property and are not considered gifts-in-kind. An annual report of discounts is not required. Discounts are considered part of the Procurement Procedures and Cost and Price Analysis (OMB A-110) in "getting the most economical and practical procurement." The Price Analysis includes "comparison of price quotations submitted at market prices with discounts."