

Carnegie 1 Research Account Management – Texas Tech Accountability  
Fall 2003

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## A. General Guidelines for Proposal Budgets

The following guidelines respond to the most frequently asked questions concerning proposal budgets. For further information, call the Office of Research Services at 2-3884.

1. Salaries: Except in extraordinary circumstances, university employees who are being paid from external funds do not receive compensation in excess of their authorized salaries, but if allowed by agency guidelines, faculty members on nine-month appointments can earn up to three months additional summer salary. Faculty members may also pay for part of their academic year time from external sources in order to devote more time to the project. In the latter instance state-funded salary is replaced by salary funds from the sponsoring agency, and arrangements for this must be coordinated with the department chair and the college dean.

The minimum salary for research assistants is \$500 per month for half-time work. There is no maximum salary; however, salaries for research assistants should be consistent with other salaries paid in the department and college.

Salaries for currently employed secretaries, technicians or other staff should be based on current salary. Salaries for employees to be hired should be based on the minimum salary for that position in the current Personnel Pay Plan available from the Personnel Office and from most department offices.

Federal regulations state that administrative and clerical salaries should normally be charged as facilities and administrative costs rather than direct costs, but these costs are allowable if specifically approved by the funding agency. Therefore, for all federal proposals any administrative or clerical salaries should be clearly identified in the budget and adequate justification should be attached. Following are examples from federal guidelines of the types of projects which may justify direct charging of administrative and clerical staff:

Large complex programs that entail assembling and managing teams of investigators from a number of institutions;

Projects which involve extensive data accumulation and entry, surveying, tabulation, cataloging, and reporting, such as epidemiological studies, clinical trials, and retrospective clinical records studies;

Projects whose principal focus is the preparation and production of manuals and large reports (excluding routine progress and technical reports);

Projects that are geographically inaccessible to normal departmental administrative services, such as seagoing research vessels and radio astronomy projects that are remote from the campus.

2. Fringe Benefits: Include Social Security payments, workers' compensation insurance, health insurance, lump-sum vacation pool, retiree insurance pool and retirement plan payments. Fringe benefits are based on salary and if salaries are paid from external sources, fringe benefits must be paid from that same source. In a proposal budget, fringe benefits may be estimated, but when charged, they will be charged at the actual rate. The current rates for estimating fringe benefits are:

For employees eligible for full benefits - 20 percent of salary plus the monthly charge for medical insurance premium sharing (estimated at \$275 per month if actual charge is not known).

For graduate research assistants - 10 percent of salary plus the monthly charge for medical insurance premium sharing (estimated at \$275 per month if actual charge is not known).

For undergraduate student assistants and employees employed for 19 or fewer hours per week or for less than four and one-half months - 10 percent of salary.

3. Travel: For any anticipated travel, the budget should include the number of travelers, the destination, duration of trip, travel costs, subsistence costs, and other costs. Estimates of coach class airfare should be obtained from a travel agent. Per diem rates allowable under the State of Texas travel policy are available from the Travel Office and from most department offices. You may also include the cost of registration fees and local transportation.

Foreign travel should be clearly justified. If appropriate paperwork is submitted in advance of the trip, State of Texas policy allows reimbursement for actual expense for foreign travel. Federal per diem rates are generally acceptable estimates for foreign travel and are available from the Office of Research Services.

4. Equipment: The university's facilities and administrative cost agreement defines permanent equipment as any item costing \$5000 or more with a life expectancy of one year or more. Shipping and installation charges should be included in the estimated cost.

5. Supplies: Supplies include expendable equipment, lab supplies, general office supplies, and instructional materials. Office supplies cannot be charged to a federally sponsored project unless they have been specifically approved in the budget; therefore, if needed, office supplies should be clearly identified in the budget and a justification should be provided.

6. Other Direct Costs: Include under this category, duplication charges, long-distance telephone charges, postage, books, and reference materials. For federally sponsored projects, postage, local telephone costs, and memberships cannot be charged unless they are specifically approved by the agency. These costs should be clearly identified in the budget and justification provided.

7. Facilities & Administrative Costs (F&A): F&A costs pay for items that cannot be associated with a specific project, including utilities, building use, library services, sponsored project administration, and general university administration.

The University's F&A cost rates are established through negotiation with a federal audit agency. Current rates are:

On-campus – 46.5% MTDC - FY 04

Off-campus - 26% MTDC - FY 04

Modified total direct costs are total direct costs minus equipment, stipends, and subcontract costs in excess of \$25,000 per subcontract. If a project is to be performed both on and off-campus, the Office of Research Services will determine the appropriate rate.

8. Cost-sharing: Any cost-sharing quantified in the proposal must be listed on the routing sheet and initialed by the individual who has the authority to commit the cost-sharing. Usually this individual is the department chair, dean, or a line-item director. Cost-sharing is subject to the same restrictions as awarded funds. Administrative and clerical salaries, office supplies, postage, local telephone costs, and memberships are allowable as cost-sharing only if specifically approved by the funding agency. Funds from accounts beginning with 0074 or 0078 cannot be used for cost-sharing if full facilities and administrative costs are recovered or if facilities and administrative costs are used for cost-sharing because these funds are included in our facilities and administrative cost pool. Cost-sharing is also subject to audit; therefore, all cost-sharing must be carefully documented when the award is received.

Because of the extra effort and the complications involved, PIs should quantify cost-sharing only if cost-sharing is specifically required by the funding program. Often the generally stated requirement of "institutional contribution" can be satisfied by a non-quantified description of institutional support. An example of such a description follows:

The College has already provided funds for the PI to travel to meet with the collaborator, to complete preliminary field research, and to confirm the logistical aspects of the project. All necessary major capital equipment has been purchased,

including . . .(list of equipment). If the project is funded, the principle investigator will be released from one lecture course per year during the two years of the project.

## **B. Research Agreement**

### **RESEARCH AGREEMENT**

THIS AGREEMENT effective this \_\_\_\_ day of \_\_\_\_\_ by and between \_\_\_\_\_(hereinafter referred to as "Sponsor") and Texas Tech University, a non-profit educational institution of the State of Texas (hereinafter referred to as "University").

WITNESSETH:

WHEREAS, the research program contemplated by this Agreement is of mutual interest and benefit to University and to Sponsor, will further the instructional and research objectives of University in a manner consistent with its status as a non-profit, tax-exempt, educational institution, and may derive benefits for both Sponsor and University;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree to the following:

#### **Article 1 - Definitions**

As used herein, the following terms shall have the following meanings:

- 1.1 "Project" shall mean the description of the project as described in Appendix A hereof, under the direction of \_\_\_\_\_ as principal investigator.
- 1.2 "Contract Period" is \_\_\_\_\_ through \_\_\_\_\_ .
- 1.3 "University Intellectual Property" shall mean individually and collectively all inventions, improvements, discoveries, and/or software which are conceived and/or made (i) by one or more employees of University, or (ii) jointly by one or more employees of University and by one or more employees of Sponsor in performance of Project.

#### **Article 2 - Research Work**

- 2.1 University shall commence the performance of Project promptly after the effective date of this Agreement, and shall use reasonable efforts to perform such Project substantially in accordance with the terms and conditions of this Agreement. Anything in this Agreement to the contrary notwithstanding, Sponsor and University may at any time amend Project by mutual written agreement.
- 2.2 In the event that the Principal Investigator becomes unable or unwilling to continue Project, and a mutually acceptable substitute is not available, University and/or Sponsor shall have the option to terminate said Project.

#### **Article 3 - Reports and Conferences**

- 3.1 Brief written program reports (1-2 pages in length) shall be provided by University to Sponsor every \_\_\_\_\_ months and a final report shall be submitted by University within \_\_\_\_\_ days of the conclusion of the Contract Period, or early termination of this Agreement.
- 3.2 During the term of this Agreement, representatives of University will meet with representatives of Sponsor at times and places mutually agreed upon to discuss the progress and results, as well as ongoing plans, or changes therein, of Project to be performed hereunder.

#### **Article 4 - Costs, Billings, and Other Support**

- 4.1 It is agreed to and understood by the parties hereto that, subject to Article 2, total costs to Sponsor hereunder shall not exceed the sum of \_\_\_\_\_ . Payment

shall be made by Sponsor according to the following schedule: \$\_\_\_ on or about \_\_\_\_\_; \$ on or about \_\_\_\_\_; \$\_\_\_ on or about \_\_\_\_\_; \$\_\_\_ on or about \_\_\_\_\_.

- 4.2 The budget included in Appendix B is a cost estimate only. The principal investigator shall be free to rebudget funds among budget categories.
- 4.3 If the contract continues for the full contract period as specified in Article 1.2 any funds remaining at the end of that period shall be the property of the university.
- 4.4 University shall retain title to any equipment purchased with funds provided by Sponsor under this Agreement.
- 4.5 Anything herein to the contrary notwithstanding, in the event of early termination of this Agreement by Sponsor pursuant to Article 9 hereof, Sponsor shall pay all costs accrued by University as of the date of termination, including non-cancelable obligations, which shall include all non-cancelable contracts and fellowships or postdoctoral associate appointments called for in Appendix A, incurred prior to the effective date of termination. After termination, any obligation of Sponsor for fellowships or postdoctoral associates shall end no later than the end of University's academic year following termination.

#### **Article 5 - Publicity**

- 5.1 Sponsor will not use the name of University, nor of any member of University's Project staff, in any publicity, advertising, or news release without the prior written approval of an authorized representative of University. University will not use the name of Sponsor, nor any employee of Sponsor, in any publicity without the prior written approval of Sponsor.

#### **Article 6 - Publications**

- 6.1 Sponsor recognizes that under University policy, the results of University Project must be publishable and agrees that Researchers engaged in Project shall be permitted to present at symposia, national, or regional professional meetings, and to publish in journals, theses or dissertations, or otherwise of their own choosing, methods and results of Project, provided, however that Sponsor shall have been furnished copies of any proposed publication or presentation at least [\_\_\_\_\_] months in advance of the submission or such proposed publication or presentation to a journal, editor, or other third party. Sponsor shall have [\_\_\_\_\_] months, after receipt of said copies, to object to such proposed presentation or proposed publication because there is patentable subject matter which needs protection. In the event that Sponsor makes such objection, said Researcher(s) shall refrain from making such publication or presentation for a maximum of [\_\_\_\_\_] months from date of receipt of such objection in order for University to file patent applications(s) with the United States Patent and Trademark Office and/or foreign patent offices(s) directed to the patentable subject matter contained in the proposed publication or presentation.

#### **Article 7 - Intellectual Property**

- 7.1 All rights and title to University Intellectual Property under Project shall belong to University and shall be subject to the terms and conditions of this Agreement.
- 7.2 Rights to inventions, improvements and/or discoveries, whether patentable or copyrightable or not, relating to Project made solely by employees of Sponsor shall belong to Sponsor. Such inventions, improvements, and/or discoveries shall not be subject to the terms and conditions of this agreement.
- 7.3 University will promptly notify Sponsor of any University Intellectual Property conceived and/or made during the Contract Period under Project. If Sponsor directs that a patent application or application for other intellectual property protection be filed, University shall promptly prepare, file, and prosecute such U.S. and foreign application in University's name. Sponsor shall bear all costs incurred in connection with such preparation, filing, prosecution, and maintenance of U.S. and foreign application(s) directed to said University Intellectual Property. Sponsor shall cooperate with University to assure that such application(s) will cover, to the best of Sponsor's

knowledge, all items of commercial interest and importance. While University shall be responsible for making decisions regarding scope and content of application(s) to be filed and prosecution thereof, Sponsor shall be given an opportunity to review and provide input thereto. University shall keep sponsor advised as to all developments with respect to such application(s) and shall promptly supply to Sponsor copies of all papers received and filed in connection with the prosecution thereof in sufficient time for Sponsor to comment thereon.

- 7.4 If Sponsor elects not to exercise its option or decides to discontinue the financial support of the prosecution or maintenance of the protection, University shall be free to file or continue prosecution or maintain any such application(s), and to maintain any protection issuing thereon in the U.S. and in any foreign country at University's sole expense.

#### **Article 8 - Grant of Rights**

- 8.1 Pursuant to Article 7.3, University grants Sponsor the first option, at Sponsor's sole selection, for either a non-exclusive, royalty-free license or for consideration, an exclusive license with a right to sublicense on terms and conditions to be mutually agreed upon. The option shall extend for a time period of \_\_\_\_\_ from the date of termination of the Agreement.

#### **Article 9 - Term and Termination**

- 9.1 This agreement shall become effective upon the date first hereinabove written and shall continue in effect for the full duration of the Contract Period unless sooner terminated in accordance with the provision of this Article. The parties hereto may, however, extend the term of this Agreement for additional periods as desired under mutually agreeable terms and conditions which the parties reduce to writing and sign. Either party may terminate this agreement upon ninety (90) days prior written notice to the other.
- 9.2 In the event that either party hereto shall commit any breach of or default in any of the terms or conditions of this Agreement, and also shall fail to remedy such default or breach within ninety (90) days after receipt of written notice thereof from the other party hereto, the party giving notice may, at its option and in addition to any other remedies which it may have at law or in equity, terminate this Agreement by sending notice of termination in writing to the other party to such effect, and such termination shall be effective as of the date of the receipt of such notice.
- 9.3 Subject to Article 8, termination of this Agreement by either party for any reason shall not affect the rights and obligations of the parties accrued prior to the effective date of termination of this Agreement. No termination of this Agreement, however effectuated, shall affect the Sponsor's rights and duties under Article 7 hereof, or release the parties hereto from their rights and obligations under Articles 4,5,6,7,8, and 10.

#### **Article 10 - Independent Contractor**

- 10.1 In the performance of all services hereunder:
- 10.1.1 University shall be deemed to be and shall be an independent contractor and, as such, University shall not be entitled to any benefits applicable to employees of Sponsor;
- 10.1.2 Neither party is authorized or empowered to act as agent for the other for any purpose and shall not on behalf of the other enter into any contract, warranty, or representation as to any matter. Neither shall be bound by the acts or conduct of the other.

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#### **Article 11 - Insurance**

- 11.1 University warrants and represents that University has adequate Worker's Compensation Insurance, which is applicable to officers, employees, and agents while acting within the scope of their employment by University, and University has no liability insurance policy as such that can extend protection to any other person.
- 11.2 Each party hereby assumes any and all risks of personal injury and property damage attributable to the negligent acts or omissions of that party and the officers, employees, and agents thereof.

**Article 12 - Governing Law**

12.1 This Agreement shall be governed and construed in accordance with the laws of the State of Texas.

**Article 13 - Assignment**

13.1 This agreement shall not be assigned by either party without the prior written consent of the parties hereto.

**Article 14 - Agreement Modification**

14.1 Any agreement to change the terms of this Agreement in any way shall be valid only if the change is made in writing and approved by mutual agreement of authorized representatives of the parties hereto.

**Article 15 - Notices**

15.1 Notices, invoices, communications, and payments hereunder shall be deemed made if given by registered or certified envelope, postage prepaid and addressed to the party to receive such notice, invoice, or communication at the address given below, or such other address as may hereafter be designated by notice in writing:

If to Sponsor:

If to University and a contractual matter:

Dr. Kathleen Harris, Director  
Office of Research Services  
Texas Tech University  
Lubbock, TX 79409-1035

If to University and a technical matter:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused these presents to be executed in duplicate as of the day and year first above written.

**TEXAS TECH UNIVERSITY**

By:  
Title:  
Date:

By: Dr. Dean Smith  
Title: Executive Vice President and Provost  
Date:

**C. Agreement Review Items**

1. Start date
2. End date
3. Amount
4. Budget periods
5. Budget amounts
6. Re-budgeting restrictions
7. Carry forward restrictions
8. Matching (cost-sharing) requirements
9. Fixed price or cost reimbursement
10. Technical reporting deadlines
11. Restrictions on equipment purchases
12. Small business use
13. Title to equipment
14. Restrictions on travel
15. Statement of work
16. Deliverables
17. Program income
18. Invention reporting
19. Publications review
20. Classified information
21. Specific prior approval requirements
22. Contact persons at the sponsor
23. For construction projects, Bacon-Davis Act requirements
24. Close-out document requirements
25. How long to retain records

D. Training Classes

1. Each semester, the Quality Service & Professional Development Department produces a schedule of classes which is sent to each department on campus. Enrolling in the following courses would be beneficial to a faculty/staff member involved with managing a research project account. Check out the Quality Service & Professional Development web-site (<http://www.depts.ttu.edu/quality/>) for a schedule of available classes and for access to those now available for on-line review.
2. **TechFIM:** The TechFIM on-line tutorial explains how to get access to the system and helps you to understand the available tables in the accounting system at Texas Tech University, to view account balances and amounts online:
3. **TechHris:** TechHris classes prepare enrollees to process employee employment changes, to prepare and submit hourly time records, and to view online personnel information:
  - i. "PAF for New Employees"
  - ii. "Introduction to TechPAY"
  - iii. "TechHris Online"
4. Ledger Sheet, Data Warehouse
  - i. There on-line tutorials on the Quality Service web-site to explain Data warehouse, Ledger Sheets, and how to access ledgers sheets on line. These are all important to the anyone who needs to know the expenditures and available balances for their account.

E. Administrative Items

1. Budgets for sponsored project accounts are multi-year. Their cumulative figures continue past August 31.

2. Budgets for matching accounts may or may not be multi-year – but uncommitted funds are carried forward at the end of each fiscal year during the life of the commitment.
  3. Be aware that public service projects or training projects or scholarships and fellowships do not normally show up on Research Expenditure Reports.
  4. Sponsored project funds are restricted. They are dedicated to the sponsored project. As a sponsored project account manager, you are trying to work from different pots of money, each pot with its own set of rules and restrictions. It sometimes turns managing a piece of work into a chess match.
  5. Facilities and Administration (F&A) - The term Indirect Costs is being replaced with the more accurate term Facilities and Administration. Through F&A, universities recover a portion of the cost of facilities and administration associated with the conduct of research.
  6. Federal rules apply to federal pass-through sponsored projects. Texas Tech University may receive federal monies through such agencies as Los Alamos, TCADA, UT, or TEA, but the funding will almost always retain its federal character. Anything that applies to federal projects also applies to federal pass-through projects.
- F. **OTHER AGENDAS:** At some point during the project, expect an administrative specialist, in the Office of Research Services, Sponsored Programs Accounting & Reporting, Personnel, Payroll, Budget, Purchasing, Travel, Accounting Services or some other administrative department to enforce some rule you never faced before. The State of Texas and the Federal Government, and many of our other sponsors are concerned with social engineering, with taxation, and with accountability.
1. **Social Issue Examples**
    - a. Research
    - b. Historically Underutilized Businesses
    - c. Buy American
    - d. Small Businesses
    - e. Animal Protection
    - f. Hazardous Materials
    - g. Immigration
    - h. Americans with Disabilities Act
    - i. Affirmative Action Program/Equal Employment Opportunity
    - j. File all reports on recycled paper
  2. **Taxation Examples**
    - a. Employee vs. Independent Contractor
    - b. Social Security Numbers and addresses of individuals providing services
    - c. Trainee vs. Employee
  3. **Accountability and Ethics examples**
    - a. Travel Regulations intended to save money for the State of Texas
    - b. Purchasing procedures intended to give vendors a fair opportunity to do business with Texas Tech University
    - c. Inventory
    - d. Raises, Promotions, Reclassifications
    - e. Nepotism
    - f. Avoiding Legal Entanglements
    - g. Prohibition of Gift of Public Moneys
- G. **Documentation Requiring Special Attention**
1. Additional compensation payments, in those unusual situations where additional compensation is appropriate, must meet the requirements of the "University-Administered Grants and Contracts" section of OP 70.16 "Compensation in Excess of Base Salary."

2. Payments to non-employee professional service providers receiving over \$5,000 per project year must have a formal agreement or contract as required by OP 72.04 "Services of Independent Academic and Professional Personnel." For sponsored projects, these agreements are prepared by ORS.
  3. Equipment purchases for federal projects, whether the federal funds are received directly from a federal agency or indirectly from another sponsor, must have ORS approval as described in OP 63.08 "Property Management."
  4. Travel documentation must explain the benefit of the travel to the project.
  5. Stipend payments for trainees have special documentation requirements. OP 70.27 "Employment of Student Employees" should be reviewed to determine whether the relationship with the student is employment or not employment. When a project is to pay stipends, SPAR should be contacted to obtain additional instructions.
  6. Before each semester, a memo requesting the payment of trainees' tuition and fees from project accounts must be submitted to SPAR. The memo must include trainee names and social security numbers. If out-of-state tuition and fees are not to be paid by the project, the memo should so indicate. Payment of a student's tuition and fees is allowable on training projects only.
  7. Payment of certain specified tuition and fees is appropriate for graduate student employees who meet the eligibility requirements of TTU's Graduate Student Tuition/Fee Assistance policy. Object 46 (Graduate Assistanceship) is appropriate for this. Only tuition and fees specified in the policy are allowable charges in this situation. A graduate student may be a Research Assistant, Teaching Assistant, Graduate Part-time Instructor, or a Graduate Assistant.
  8. Payments to individuals who were employees during the last 12 months.
  9. Payments to non-citizens.
  10. Purchase of food, refreshments and alcoholic beverages. See 72.05.
  11. Leasing of Land, Space and Facilities. See OP 72.07.
  12. Leasing or Lease/Purchasing vehicles, equipment and other commodities. See OP 72.15 and OP 72.18.
  13. Other non-obvious expenses' documentation must explain the benefit of the costs to the project.
  14. Agreements that have "subcontracting plans." Providing complete documentation of the use of Small Businesses requires some unusual documentation by the academic unit.
- H. Five General Requirements for Sponsored Project Expenditures – More In-depth

**1. Reasonable:** A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved therefor, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made. Major considerations involved in the determination of the reasonableness of a cost are:

- a. Whether or not the cost is of a type generally recognized as necessary for the performance of the sponsored agreement. For instance, food purchases are rarely reasonable on a research project.
- b. The restraints or requirements imposed by such factors as arm's length bargaining, federal and state laws and regulations, and sponsored agreement terms and conditions. For instance,

entertainment costs are not reasonable on federal projects because the applicable regulation, OMB Circular A-21, prohibits entertainment costs.

- c. Whether or not the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the institution, its employees, its students, the government, and the public at large. For instance, purchases which primarily provide a personal benefit to the account manager, such as a desk radio, would not be considered reasonable.
- d. The extent to which the actions taken with respect to the incurrence of the cost are consistent with established institutional practices applicable to the work of the institution generally, including project agreements. For instance, a charge to a project for its use of a departmental vehicle is not reasonable if use of the vehicle does not normally result in a charge to any account.

**2. Allocable:** A cost is allocable to a particular project if the goods or services involved are chargeable or assignable to the project in accordance with the relative benefits received or other equitable relationship. Subject to the foregoing, a cost is allocable to a sponsored agreement if:

- a. it is incurred solely to advance the work under the sponsored agreement; or
- b. it benefits both the sponsored agreement and other work of the institution, in proportions that can be approximated through use of reasonable methods.
- c. the purchase of equipment or other capital items is specifically authorized under the sponsored agreement. The amounts thus authorized for such purchases are assignable to the sponsored agreement regardless of the use that may subsequently be made of the equipment or other capital items involved. Note, however, that charges for equipment purchased or received near the end of a project may be disallowed if benefit to the project is minimal and equipment rental would therefore have been more prudent.

Other considerations related to the allocability of costs are:

- d. Any costs allocable to a particular sponsored agreement may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.
- e. Any costs allocable to activities sponsored by industry, foreign governments or other sponsors may not be shifted to federally sponsored agreements.

**3. Allowable:** It is the responsibility of the project account manager to review the project agreement and any project program guidelines associated with that agreement. Questions about the allowability of specific cost items should be referred to either ORS or SPAR.

**4. Consistent:** Like costs incurred for the same purpose in like circumstances are to be treated consistently.

- a. Project accounts are not to be directly charged for expenses which are covered by F&A charges. Neither are expenses covered by F&A charges to be counted as direct costs to meet any matching requirements of the sponsor. Projects are not to be charged for items or services which are provided free to instructional activities or other activities of the academic unit.
- b. Projects are to be charged the same dollar amounts which would be charged to instructional or other activities of the academic unit.

**5. Documented:** Financial Management Systems must provide for records that identify adequately the source and application of sponsored project funds. This includes records that are supported by source documentation.

- a. In almost every case, required expense documentation is provided, by following the normal documentation requirements of TTU systems.
- b. See Documentation Requiring Special Attention.

#### I. GENERAL REQUIREMENTS FOR SPONSORED PROJECT MATCHING (COST-SHARING)

1. Matching means matching expenditures. The matching funds must be spent to meet matching requirements.
2. **General requirements for sponsored project matching (cost-sharing) expenditures include the same 5 requirements as expenditures from the project accounts.**
  - a. reasonable
  - b. allocable – benefit to the project
  - c. allowable
  - d. consistent
  - e. documented
3. **In addition:**
  - a. **Cost-shared salaries must represent time that the individual will expend doing work that is necessary to conduct the project – but for which the individual is not being paid from the project.**
  - b. **Can't match federal expenditures with federal expenditures.**
  - c. **Can't use the same match for more than one federal project.**
  - d. **Can't claim routine service by the department head or normal clerical support from the departmental secretary as matching. These are covered by F&A charges.**
  - e. **Can't claim routine expenditures for office supplies, postage, and local telephone service as matching. These are covered by F&A charges.**
  - f. **Can't claim on-campus space costs except as a portion of F&A.**
4. For non-federal projects, there are a very few exceptions to one or more of these requirements for matching. At proposal time if a PI believes that one or more of these requirements does not apply to a specific project, ORS should be consulted for confirmation of that exception.

J. Responsibilities of the Project Account Manager in the Procurement of Supplies and Services

1. **The project account manager plays an important role in the procurement of supplies and Services.**
2. The end user should communicate to the purchaser in Purchasing the commodity or services needed. The document used to identify the end user's need is most commonly a requisition. The requisition should include the specifications of the commodity or service that the end user wants to procure. A specification is a detailed description of a product or service that a user seeks to procure, and consequently, a description of what a bidder must offer to be considered for an award.
3. **Specifications should be:**
  - a. **Simple** – Avoid unnecessary detail, but be complete enough to ensure that requirements will satisfy your intended purpose.
  - b. **Clear** – Use terminology that is understandable to the university and bidders. Use correct spelling and appropriate sentence structure to eliminate confusion. Avoid legalese type language and jargon whenever possible.
  - c. **Accurate** – Use units of measure that are compatible with industry standards. All quantities and packing requirements should be clearly identified.
  - d. **Competitive** – Identify at least two commercially available brands, makes, or models (whenever possible) that will satisfy your intended purpose. Avoid unneeded "extras" that could reduce or eliminate competition and increase costs.
  - e. **Flexible** – Avoid totally inflexible specifications which prevent the acceptance of a bid that could offer greater performance for fewer dollars. Use approximate values such as dimensions, weight, speed, etc. (whenever possible) if they will satisfy the intended purpose. If approximate dimensions are used, it should be within a 10% rule of thumb unless otherwise stated.
4. A **proprietary purchase** is justified only when equivalent product or service competition is not available. When the specification requirement limits consideration to one manufacturer, one product, or one service provider, a written justification must be provided as required by state and federal law and university policy. The project account manager must state:

- a. What the proprietary features of the item are and why these features are required.
  - b. Why no competing product could meet the needs. These procurements must be properly justified to protect the university from potential protests and lawsuits.
5. To expedite requirements, departments may request a **telephone purchase order number** for small dollar purchases. To obtain a telephone purchase order:
  - a. Obtain competitive bids when necessary.
  - b. Verify the product description, price, and any shipping information with the vendor/low bidder.
  - c. Call Purchasing for a telephone purchase order number. You will be required to give Purchasing certain information concerning the purchase (i.e. item, quantity, cost, account number).
  - d. Purchasing assigns you a purchase order number.
  - e. Call the vendor back with the purchase order number and place the order.
  - f. **Send confirmation purchase order to Purchasing within five days.**
6. **Current bid limits**, regardless of the source of funds, are:
  - a. \$0 - \$2000 -One bid
  - b. \$2000.01 - \$10,000 - Three verbal bids with one being from a minority-owned business and one being from a woman-owned business. Purchases in excess of \$5000 must use bidders from the Centralized Master Bidders List when using state appropriated funds.
  - c. Over \$10,000 - Requisitions must be sent to Purchasing for processing.
  - d. On state appropriated funds, which are not exempt from the General Services Commission, purchases for commodities in excess of \$25,000 and services over \$100,000 must be forwarded to the General Services Commission for bidding.
7. **All procurements that exceed \$25,000**, without regard to the source of funds, must be posted on an electronic bulletin board managed by the Department of Commerce. We are required to post for a minimum of 14 calendar days if the entire bid or proposal solicitation package (including all terms and conditions) is posted, or a minimum of 21 calendar days if only a summary of the request is posted. Currently due to the time involved in posting the entire bid package, we are posting only a summary for the required 21 days.
8. The project manager is encouraged to solicit and purchase from **Historically Underutilized Businesses (HUBs)** to the fullest extent possible. For assistance in locating HUBs for your solicitations and/or purchases, contact a Purchaser in Purchasing.
9. State and federal laws and university policies strictly prohibit the splitting of orders to **circumvent the bidding process.**
10. When **state appropriated funds** are being used, there are certain programs that are required to be used. Other funds have the flexibility to use these programs; however, there is no requirement that they be used.
  - a. All Automated Information Systems (AIS) type products and services that are associated with computers (automation) or telecommunication systems must be purchased using the Qualified Information Systems Vendor (QISV) Catalogue Purchasing Program (when state appropriated funds are being used.)
  - b. The General Services Commission (GSC) establishes term contracts by commodity/service codes as a supply source. You are required to utilize the term contracts (when state appropriated funds are being used) unless they fail to meet your needs. In such a case, a justification must be attached to the requisition or purchase order.
11. There are two other methods for procurement. The **Petty Cash System** and the **Check Issuance Request (RI) System.**
  - a. **Petty Cash System** is used for purchases that are less than \$500 and purchased locally. The Petty Cash System can also be used for reimbursements to employees for purchases that are less than \$500 and made in behalf of the University provided an original receipt is attached. However, the Petty Cash System should not be used to pay individuals for services. These should be handled on a requisition or a check issuance request.
  - b. **Check Issuance Request (RI)** is used when the goods or services have been received and invoiced without the presence of a purchase order. The RI should only be used on situations that do not require a purchase order either by the vendor or for tracking purposes.

- c. **State appropriated funds** require a purchase order for all commodities, **with the exception of the following**, which can be processed by RI.
    - i. Registration Fees
    - ii. Purchases for the University Libraries
    - iii. Rental of Space, Rental of Booths for Display Purposes
    - iv. Utilities
12. **Non-appropriated funds (i.e. institutional or federal)** are not as restrictive on the use of the RI; however, they should be limited on those types of expenditures that have already been received and invoiced without the presence of a purchase order. Remember to use a purchase order when ordering commodities and services that need an audit trail for the entire procurement process. A purchase order protects the University as the vendor has a firm commitment and must abide by the University's terms and conditions; whereas, the RI has very limited, if any, protection. Expenditures processed on a RI should be less than \$2000. **RI's which are being paid from sponsored projects are processed by Sponsored Programs Accounting & Reporting and should be sent directly to that office. All other RIs are processed by Payables.**
13. **An important part of the procurement cycle includes payment to the vendors.** State law requires that all payments be made within 30 days from the receipt of the merchandise or the receipt of the invoice, whichever is later. If not paid within the 30 days, the vendor can charge interest of 1% per month on the unpaid balance. To facilitate the vendor being paid in 30 days, the PI should:
- a. When the merchandise has been received, complete and send the Receiving Report to Payables.
  - b. If an invoice is received by the department, immediately forward the invoice to Payables.
14. **Purchasing** is trying to implement changes in the near future that will provide a better service.
- a. Creation of a Purchasing web site, as well as other areas within Business Affairs.
  - b. On-line transmission of requisitions.
  - c. Implementation of a Procurement Card Program. The Procurement Card can be used with suppliers that accept Master Card as a form of payment. There will be certain guidelines and some restrictions that must be followed; however, this should allow a fast and flexible method for purchasing small dollar purchases.
- K. AT THE END OF THE AGREEMENT—OR BUDGET PERIOD IF THERE ARE NO CARRY FORWARDS**
1. Summary: At the end date of the sponsored project, the project period has ended and sponsorship of the project has ended. If the work of the project may not be complete, contact ORS well before the end date to make arrangements to extend the project period. In the last 30 days of a project period, obtaining an extension of the project period is usually difficult and often embarrassing.
  2. At the end of the agreement. – technical reports, intellectual property, equipment, clear open orders, get in all charges – and expect ledger sheets to appear on line until after TTU has received all the money related to the project.
  3. 30-60 days before the end date of the account, you will receive a letter.
  4. Payroll entries that reject will be overridden by Payroll. SPAR will receive printouts of the overridden rejects. These are to be reviewed and appropriate action taken.
  5. Hourly payroll is an especially difficult problem. Departments often forget to change the account number on hourly payroll when an account ends. When a late hourly payroll hits an account, it is normally appropriate to deactivate the payroll codes of that account.
  6. At the present time, TECHFIM does edit all expenditure entries against End Date. Entries after the end date are rejected. These rejects require review before they are either
    - a. rejected completely,
    - b. corrected to another account number, or
    - c. overridden.
  7. Charges will not be overridden after we have submitted a final billing or financial report on an account. Timely submission of charges is the responsibility of the charging entity and the PI. Checking with the PI or his department before the submission of a final billing or financial report is a SPAR responsibility.

8. Unless the agreement specifically prohibits the practice, sponsors allow charges incurred before the end date to be recorded after the end date.
9. Unless the agreement specifically prohibits the practice, sponsors allow obligations made during the project period to be honored if they can be cleared in a reasonable period of time after the end date.
10. These obligations must represent items which benefit the project. If there is a next year of the same project, the items do normally benefit the on-going project. If there is not a next year of the project, unliquidated obligations which do not clear soon after the end date require additional explanations of benefit to the project.
11. Equipment purchased on federal projects in the last 60 days of a project (not account, but project) requires special approval from ORS.
12. Getting paperwork to Purchasing or Drane Hall department on the last day does not constitute getting the order placed before the end date.
13. Orders placed on the last day of a project need clear explanations of their benefit to that project. Very often, a sponsor will approve an extension of the last year of a project. Inquiries about extensions should be made through ORS. [On Federal Demonstration Project accounts, TTU can often approve a 1-time extension of up to 12 months.]
14. A reasonable length of time for clearing an obligation is not so long that it will make a final billing and/or financial report late. Final reports or billings should be late only when we have obtained approval from the sponsor for the late submission. This is usually 90 days on federally-funded projects.
15. On fixed price agreements, ORS may authorize an extension of the end date to the end of a semester. This is usually to allow the appointment of RA's for a full semester. These extensions are internal to TTU and require special monitoring to assure that billings and reports to the sponsor are submitted on their original due dates, and to assure that scheduled payments are received from sponsors on the original due dates.
16. Many projects have requirements governing the disposition of equipment after a project has ended.
17. [Residuals from fixed price projects](#)
18. At the end of a fixed price project, an unspent amount may remain in the project account. A reasonable residual amount may be transferred out after (A) all obligations to the project sponsor have been met, (B) all payments from the sponsor have been received, and (C) all the project's costs have been charged to the project account.
19. However, a large residual amount is an indication that all project costs were not charged to the project account. For projects of \$100,000 or less, if the residual amount exceeds 33% of the total project amount, the transfer out of residuals will be delayed pending a review to determine whether all project costs were charged to the project account. For projects which exceed \$100,000; a residual of over 25% will trigger a review.

(Note that the full amount budgeted for F&A will always be charged to fixed price projects. None of the amount budgeted for F&A will be available for transfer out at the end of the project.)

#### L. WHEN AN AUDITOR CONTACTS YOU

1. Pre-award Audit – Contact the Office of Research Services
2. Other Financial Audits – Contact Sponsored Programs Accounting & Reporting as soon as you know that there will be a Financial Audit involving a sponsored project.
  - a. Working with financial audits of sponsored projects is a part of SPAR's mission.
  - b. Yes, there will probably be questions for you to answer. But let SPAR handle as much of the audit as possible.
  - c. By SPAR handling the audit, your responsibility remains, but the use of your time is minimized.
  - d. Also, SPAR is familiar with the jargon, the underlying regulations, and the documentation requirements of the financial end of sponsored projects.
3. Program Reviews – If it involves any financial issues including billing and financial reporting, please contact Sponsored Programs Accounting & Reporting.
4. Sponsored Programs Accounting & Reporting Guidelines for working with auditors:

- a. Be quick to listen, slow to speak, and slow to answer.
  - b. Directly and briefly answer the auditor's questions.
  - c. Don't guess. If we are not sure of an answer, we make sure that we understand the question, then, find the answer.
5. Auditors prefer accurate answers to guesses. Auditors are sometimes impatient, but they need accurate answers.
6. Guessing wrong will make someone look dishonest, even though they are not.
- a. Do answer the auditor's questions.
  - b. Answer only the auditor's questions. Don't volunteer information.
  - c. Think of an auditor as an individual with a checklist to complete.
  - d. If there are findings, be confident that the issues raised can be addressed.
  - e. Please do not be flippant with any auditor.
15. **Personnel Activity Reports – Internal Audit. The one area where internal auditors will work directly with is on PAR's.**

M. SIGNING THE PAR CERTIFIES

1. The individual who signs a PAR is verifying the reasonableness of the information reported on the PAR--that the person for whom the PAR is generated has spent his/her percentage of time (effort) working on activities identified with the account numbers listed on the PAR.

N. "SUITABLE MEANS OF VERIFICATION"

1. An auditor may ask a faculty or staff person for a "suitable means of verification" that the signed PAR is reasonable. The "suitable means of verification" may be lab notes, field notes, a written report that was generated, or a product that was produced as a result of the research project. Something must show that work was done that benefited the project. Most projects generate this "suitable means of verification" as a natural byproduct of conducting the project.
2. If a research project does not generate such "suitable means of verification" the researcher should keep a log of his/her activities involved with the research project. An hour-by-hour record is not desirable. What is needed is a log with brief summaries of activity on the project. At a minimum, "Began the collection of samples" or "Continued the analysis of samples"

O. FOR WHOM IS A PAR GENERATED?

1. Four criteria determine the selection of Texas Tech University faculty and staff for whom a PAR is generated:
- a. A faculty or staff person who is paid a portion or all of his/her salary from a sponsored project account. See Example A. This criteria includes a student who receives State of Texas or federal work study monies. See Example B.
  - b. A faculty or staff person who is cost shared a portion of all of his/her salary in support of a research grant. See Example C.
  - c. A faculty or staff person who is paid from a dedicated matching account for a sponsored project. See Example D.
  - d. A faculty or staff person who is paid from more than one account and the function for one of the accounts differs from the others. See Example E.

P. TO WHOM IS A PAR SENT?

1. Sponsored Programs Accounting & Reporting mails the PAR to the person who is expected to sign the PAR. To whom the PAR is sent depends upon the reason for the PAR.
- a. An individual who is cost shared is sent his/her own PAR, See Example C
  - b. The account manager of the dedicated matching account for an individual paid from a matching account, see Example D
  - c. The account manager of the account showing the greatest percentage of time on the PAR; except for work study, this account is the first account listed, see Examples A and E
  - d. The department head for whom a monthly payroll student works who is paid from federal or state work study monies, see Example B

Q. SPONSORED PROJECTS – WHO YOU GONNA CALL?

**Call the Budget Office (2-3228):**

- About payroll encumbrance questions
- To respond to Budget Office inquiries

**Call the Graduate School (2-2781):**

- About employing graduate students

**Call Sponsored Programs Accounting & Reporting (SPAR) (2-2985):**

- To forward an inquiry from a sponsor about a bill, report, equipment report, or payment.
- When referred to SPAR by other offices
- For a grant end override needed for items purchased before the end date, but for which the expense is not recorded until after the end date.
- Grant end override needed for items ordered before the end date, but not paid for before the end date.
- About paying stipends.
- About paying a subcontractor
- About paying a professional services provider
- About RI payments including ATP/ARP
- When there is to be an audit (other than a pre-award audit)
- When there is to be a sponsor visit that may involve financial issues
- To respond to SPAR inquiries

**Call the Office of Research Services (ORS) (2-3884):**

- For information on current funding opportunities
- For assistance with proposal preparation and submission
- For negotiation of the business aspects of a project
- When there is to be a pre-award audit
- For awards received and initiating budgets for those awards
- To make a budget change
- To extend an end date
- To request approval for equipment in the last 60 days of a federal project
- To change cost-sharing
- To terminate a project
- For animal care and use information
- For intellectual property information
- For human subjects information
- For information on the Federal Demonstration Project
- To draw up a subcontract
- To draw up a professional services agreement
- To request a pre-award budget
- To respond to ORS inquiries
- Web site [www.ors.ttu.edu](http://www.ors.ttu.edu)

**Call the Office of International Affairs (2-3667):**

- About employment of foreign individuals
- About inviting foreign visitors to TTU
- About tax issues for non-resident aliens

**Call Payroll (2-3211):**

- About hourly payroll questions
- About Payroll forms completion and submission
- About Payroll certification forms
- About monthly payroll questions
- About when and if a person will be paid on a new project
- About Payroll deadlines
- About estimating fringe benefits costs
- About status of payroll paper work
- To respond to Payroll Office inquiries

**Call Personnel (2-3853):**

- About Personnel Action Forms (PAF)
- About employment and benefits enrollment forms
- About new positions
- About Re-classifications
- About employee discipline and personnel OPs (Jim Brown 2-3867)
- About employment questions (Barbara White 2-3851)
- About benefits questions (Everne Williams 2-3898)
- About employment records and leave questions (2-5129)
- About wage and salary questions (Dave Gruver 2-3854)
- To respond to Personnel Office inquiries

**Call Purchasing (2-3844):**

- About purchase orders
- About procurement card transactions
- To respond to Purchasing Office inquiries

**Call Payables/Travel Services (2-3260):**

- Direct Pay issues
- To respond to Travel Office inquiries
- About travel issues

R. A PARTIAL LIST OF OP'S PERTINENT TO SPONSORED PROJECTS

1. The OPs may be found on the web site: [www.ttu.edu/~ttuopman](http://www.ttu.edu/~ttuopman)

**32 Academic Policies/Faculty**

**32.22 Travel of Faculty and Staff**

**62 Financial and Accounting**

**62.03 Account Manager Designation and Signature Authority for Transactions on an Account**

**62.05 Proper Handling of University Income and Authorized Petty Cash/Change Funds by University Employees**

**62.10 Prohibition of Gift of Public Moneys**

**62.17 Payment of Scholarships and Fellowship Grants**

**62.26 Charging Departments for Goods and/or Services**

**62.27 Interdepartmental Transfers of Costs**

**62.33 Salary Increases on Restricted Accounts**

**62.34 Budgeting Carry Forwards**

**62.37 Establishing Employee/Independent Contractor Status**

### **63 General Services**

**63.07 Disposal of Obsolete Inventory**

**63.08 Property Management**

### **64 Graduate Programs, Faculty, and Students**

64.03 Graduate Students Employed as Teaching Assistants and Graduate Part-time Instructors

**64.05 Graduate Instruction and Research**

**64.06 Graduate Tuition Surcharge**

**64.07 Graduate Student Appeals**

**64.08 Institutional Funds Arising from Fellowships and Traineeships**

**64.09 Graduate Council**

**64.10 Graduate Faculty**

**64.11 Insurance Coverage of Graduate Student Employees**

### **65 Grants and Contracts Accounting**

65.01 Grant/Contract Facilities and Administrative (F&A) Cost Recovery

65.02 Personnel Activity Reporting as Required Under OMB Circular A-21

65.03 Program Income Generated by Federally-funded Projects

65.04 Cost Transfers on Federal Sponsored Projects or Other Sponsored Projects

65.05 Monitoring Sub-recipients (Subcontractors) in Accordance with OMB Circular A-133

65.06 Conditions of Grants and Consulting Contracts Made Directly to Individuals

65.07 Discontinuance of Administrative Positions Funded by Federal Grants

65.08 Expenditures and Matching Commitments for Grants, Contracts, and Other Sponsored Projects

65.09 Budgeting Sponsored Projects

65.10 Budgeting Sponsored Projects Prior to Receipt of Award

### **70 Personnel**

70.01 Leaves of Absence

70.02 Retirement

70.05 Eligibility for Insurance and Other Benefits

70.06 Employee Working Hours and Holidays

70.07 Optional Retirement Program

70.08 Nepotism

70.10 Nonfaculty Employee Complaints and Grievances

70.11 Appointment of Staff Employees

70.12 Performance Management

70.13 Workers Compensation Insurance

70.14 Salary Administration Policy

70.15 Multiple and Other Employment

70.16 Compensation in Excess of Base Salary

70.17 Overtime and Compensatory Time

70.19 Employee Exit Procedures

70.20 Employment in Security-Sensitive Positions

70.25 Longevity and Hazardous Duty Pay

70.27 Employment of Student Employees

70.28 Personnel Action Form Due Dates

70.31 Employee Conduct, Discipline, and Separations

70.36 Employment of Persons in Temporary Worker (H-1B) Immigration Status

## 72 Purchasing

- 72.03 Use of Private Consultants
- 72.04 Services of Independent, Academic, and Professional Personnel
- 72.05 Purchase of Food and Refreshments
- 72.06 Direct Pay Expenditures
- 72.07 Leasing of Land, Space, and Facilities
- 72.09 Purchase and Payment of Goods and Services

### 72.12 Historically Underutilized Businesses

- 72.15 Purchasing/Leasing Motor Vehicles
- 72.18 Lease Purchase of Equipment and Other Commodities

## 74 Research

### 74.01 Office of Research Services

### 74.02 Conduct of Research and Scholarly Activity

### 74.03 Collecting Objects on State or Federal Land

### 74.04 Intellectual Property Rights

### 74.05 Institutional Biosafety for Research Involving Recombinant DNA Molecules

### 74.06 Disposition of Patent and Copyright Royalty Income

### 74.07 Identification Cards for Visiting Scholars

### 74.08 Allegations of Misconduct in Research or Scholarly Activity

### 74.09 Protection of Human Subjects in Research

### 74.10 Safeguarding Classified Information

## 79 Travel

- 79.01 Travel Guidelines for Texas Tech University and TTU Employees
- 79.02 Texas State Travel Management Program
- 79.03 Use of State Travel Card
- 79.04 Application for Official Travel
- 79.05 International Travel
- 79.08 Reimbursement of Travel Expenses
- 79.07 Travel Advances
- 79.10 Travel by Prospective Employees
- 79.14 Aircraft Piloted by Texas Tech University Personnel on Official Business

## S. GLOSSARY

### **Account**

A ten digit specific account number within the Texas Tech University accounting system which identifies a project; some projects have a master account and one or more sub-accounts; all income and expenditures for a project are recorded utilizing the identified master or sub-account; see *Ledger Sheets*; see OP 65.10

### **Additional Compensation**

Monies paid to a Texas Tech University employee above his/her regular salary; see OP 70.16 and OP 70.17

### **Agency Guidelines**

Guidelines usually available from a funding agency to facilitate a researcher in the development of a proposal for a project and in the performance of the project

### **Agreement**

The legal document signed by the sponsor and Texas Tech University which dictates the terms and conditions of the sponsored project; see *Project*, see *Proposal*

### **Allocable**

One of the five general requirements for sponsored project expenditures; a cost may be considered allocable to a project if the goods or services are incurred solely to advance the work under the sponsored agreement, or if the goods or services benefit both the sponsored agreement and other work of the institution in proportions that can be approximated through the use of reasonable methods, or is the purchase of equipment or other capital items specifically authorized by the sponsored agreement;

see *Allowable*, see *Consistent*, see *Documented*, see *Reasonable*

**Allowable**

One of the five general requirements for sponsored project expenditures; a cost may be considered allowable to a project if the goods or services are authorized by the sponsored agreement and do not violate any Texas Tech University or sponsor restrictions; the beginning and ending date of a project must be considered for the purchase to be allowable; see *Allocable*, see *Consistent*, see *Documented*, see *Reasonable*

**Award Forms**

Forms usually available from a funding agency to facilitate a researcher in the development of a proposal for a research project

**Benefits the Project**

Something that contributes to the objectives of the sponsored project

**Carry Forward Restrictions**

Limitations that prohibit unspent amounts from one budget period being spent in the following budget period; see OP 62.34

**Check Issuance Request (RI)**

The Texas Tech University system used to pay for goods and services that have been received and invoiced without the presence of a purchase order; this system should only be used for situations that do not require a purchase order by the vendor or for tracking purposes; see OP 72.09

**Classified Information**

Information not available to the general public

**Close-out Document**

A document submitted to the sponsor after a project has been completed; once submitted no additional activity including expenditure of monies may take place

**Companies**

One of the sources of monies to fund a research project; awards granted to Texas Tech University by private industry

**Consistent**

One of the five general requirements for sponsored project expenditures; a cost may be considered consistent if the cost of goods or services are charged the same as costs charged in like circumstances; project accounts are not to be directly charged for expenses which are covered by F&A charges; see *Allocable*, see *Allowable*, see *Documented*, see *Reasonable*

**Cost Reimbursement**

The most common form of funding a project where Texas Tech University bills the sponsor for costs incurred on a project; if all of the funds are not expended Texas Tech University does not receive the balance

**Cost Sharing**

The share of a project cost not paid for by the sponsor; see *Mandatory Cost Sharing*, see *Non-mandatory Cost Sharing*

**Dedicated Matching Account**

An account established to record the costs contributing to the cost sharing portion of an agreement; see *Mandatory Cost Sharing*, see *Non-mandatory Cost Sharing*

**Deliverables**

Items such as technical reports, samples, and conferences provided to the sponsor as part of the project

**Direct Cost**

Cost of a project that can be specifically identified: salaries, fringe benefits, supplies, equipment, travel; does not include Facilities & Administration charges; see *Facilities & Administration*

**Direct Federal Awards**

One of the sources of monies to fund a research project; awards granted directly to Texas Tech University by the U.S. Government

**Documented**

One of the five general requirements for sponsored project expenditures; all expenses must be documented by following the normal documentation requirements of Texas Tech University systems; the requirements vary, depending on the expenditure; see *Allocable*, see *Allowable*, see *Consistent*, see *Reasonable*

**Employee**

An individual employed by Texas Tech University

**Employment**

The result of being employed

**Extension**

Sponsor approval to lengthen the amount of time in an agreement by changing the ending date of the project

**Facilities & Administration (F&A)**

Universities recover a portion of facilities and administration costs associated with the conduct of research by permitting a negotiated percentage rate to be charged

**Federal Awards**

One of the sources of monies to fund a research project; see *Direct Federal Awards*, see *Pass-through Federal Awards*

**Final Bill**

The last bill submitted by Sponsored Programs Accounting & Reporting to a sponsor asking for payment; not the same as the Final Financial Report; see *Final Financial Report*

**Final Financial Report**

A document submitted after a project has been completed; once submitted no additional activity, including the expenditure of monies, may take place; see *Obligations*

**Financial Report**

A document submitted to the sponsor by Sponsored Programs Accounting & Reporting, which shows the income and expense distribution of a project account; the nature and frequency of submitting this report varies depending upon the agreement

**Fixed Price**

A sponsor awards Texas Tech University a specific dollar amount for a project; if all of the funds are not expended, the balance is still received by Texas Tech University

**Fixed Price Agreement**

An agreement signed by the sponsor and Texas Tech University, which provides for a specific dollar amount to be paid Texas Tech University upon the completion of a project

**Fund Range**

The designated grouping of all TTU account numbers; sponsored program accounts are grouped as 13AA through 1502 and 56AA through 5639

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**General Guideline for Proposal Budgets**

A document available from TTU Office of Research Services for use by researchers for developing a budget for their research project; available on the internet: [www.ors.ttu.edu](http://www.ors.ttu.edu)

**Grant Related Income**

See *Program Income*

**Historically Underutilized Businesses (HUB)**

A business owned and operated by women or minorities

**Hourly Payroll**

The Texas Tech University system which provides pay to employees who work by the hour

**Independent Contractor**

An individual performing a service for Texas Tech University who is not an employee of Texas Tech University

**Indirect Costs**

See *Facilities and Administration (F&A)*

**Intellectual Property**

Property that is copyrighted, patented, etc.; see OP 74.04

**Ledger Sheets**

A monthly report produced by the Texas Tech University accounting system, which provides the project account manager with monthly and cumulative income and expenditure information; the project account manager should review this report each month; see *Account*

**Mandatory Cost Sharing**

Cost sharing agreed to by Texas Tech University and required by the sponsor; documentation is required, see *Personnel Activity Report (PAF)*, see *Dedicated Matching Account*

**Matching**

Synonymous with cost sharing; see *Mandatory Cost Sharing*, see *Non-mandatory Cost Sharing*

**Matching Account**

An account that has been set up with its own identifying account number for the specific purpose of recording expenditures used to match a project account; see *Dedicated Matching Account*, see *Matching*

**Matching Requirements**

Conditions set by a sponsor which stipulate the requirements for Texas Tech University to pay for a portion of the cost of a project; see *Mandatory Cost Sharing*, see *Non-mandatory Cost Sharing*

**Monthly Payroll**

The Texas Tech University system which provides pay to employees who are paid once a month

**Multi-year**

Budgets for sponsored program accounts whereby the dollar amounts continue past August 31 into the next fiscal year

**Non-federal**

Monies that do not come from the U.S. Government or are not federal pass-through; see *Federal Awards*, see *Pass-through Federal Awards*

**Non-mandatory Cost Sharing**

Cost sharing agreed to by Texas Tech University but not required by the sponsor; see mandatory cost sharing; documentation is required; see *Personnel Activity Report (PAF)*

**Non-monetary Award**

An agreement with a sponsoring agency that contains no exchange of monies

**Obligations**

An agreement for goods or services to be received by Texas Tech University for which Texas Tech University is required to pay; must be cleared from an account before final financial reports are due (30-90 days depending on the agreement); see *Final Financial Report*

**PAF**

See *Personnel Action Form (PAF)*

**Pass-through Federal Awards**

Awards granted by the U.S. Government to some agency other than Texas Tech University which then disburses all or part of the money to Texas Tech University for a project

**Personnel Action Form (PAF)**

The Texas Tech University document which provides the basis and approval of all Texas Tech University faculty and staff assignments; it refers to an employee status such as hire, leave, promote, etc.; it is used for budgeting and provides for the employee to be paid

**Personnel Activity Report (PAR)**

A Texas Tech University form distributed by Sponsored Programs Accounting & Reporting to faculty and staff for the purpose of providing an after-the-fact certification that work was done and that the distribution of salary charges is reasonable; see OP 65.02

**Petty Cash**

The Texas Tech University system used for reimbursement to employees for purchases (not including pay to individuals for services) made locally that were less than \$500; an original receipt must be attached to the reimbursement request; see OP 62.05

**Post-award**

The phase of a project that occurs following approval of the proposal by a sponsor

**Pre-award**

The phase of a project that occurs during proposal development and prior to approval of the proposal by a sponsor

**Professional Service Provider**

An academic or professional person who is not a Texas Tech University employee who is contracted to provide a service which cannot be performed by Texas Tech University personnel; see OP 72.04

**Proprietary Purchase**

See *Sole Source*

**Program Income**

Monies generated by a sponsored project and received by Texas Tech University; the use and restrictions of these monies vary depending upon the sponsor agreement; see OP 62.05

**Program Review**

A visit by an individual representing the sponsor to examine the program aspects of a project

**Project**

The name used to identify a sponsored activity; see *Agreement*, see *Proposal*

**Proposal**

The documented submitted by a researcher for the purpose of gaining approval and usually funding for a project; see *Agreement*, see *Project*

**Public Service Projects**

Projects which provide a service to the public

**Purchase Order**

One of the documents used in the Texas Tech University system to buy and pay for goods and services

**Reasonable**

One of the five general requirements for sponsored project expenditures; a cost may be considered Reasonable, if the nature of the goods or services acquired or applied, and the amount involved reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made; see *Allocable*, see *Allowable*, see *Consistent*, see *Documented*

**Re-budgeting Restrictions**

Limitations which prohibit a project budget from being changed

**Request for Budget Modification**

The procedure utilized by a project account manager by contacting the TTU Office of Research Services to change the approved budget of a funded research project; see OP 74.01

**Requisition**

A Texas Tech University form used to gain approval to spend project monies

**Research Expenditure Report**

A financial report prepared by Sponsored Programs Accounting & Reporting that shows the income and expenditures on a project

**Residuals**

Monies remaining unspent after a project is completed

**Restricted**

A designation of activities and/or expenditures which are not permitted; sponsored project monies are dedicated to the sponsored project; they may not be used for other purposes

**Restrictions on Equipment Purchases**

Limitations on the purchase of equipment by Texas Tech University and the sponsor; sponsor limitations vary depending upon the rules and regulations of the sponsor

**Restrictions on Travel**

Limitations on travel by Texas Tech University and the sponsor; sponsor limitations vary depending upon the rules and regulations of the sponsor; see OP 32.22

**RI**

See *Check Issuance Request (RI)*

**Scholarships**

Amounts paid to an undergraduate or graduate student to aid the individual in pursuit of study or research; see OP 62.17

**Signature Authority**

The names of the identified individuals who are permitted to sign for account expenditures; see OP 62.03

***Sole Source Purchase***

The purchase of goods or services from one specific vendor; sole source purchase requests should be used only when needs of the department are such that competitive bidding is not possible; see *Proprietary Purchase*, see OP 72.09

***State Awards***

One of the sources of monies to fund a research project; awards granted to Texas Tech University by a state agency

***Stipend Payments***

Payments made to trainees (as opposed to employees) as provided in the sponsored project agreement; when a project is to pay stipends, Sponsored Programs Accounting & Reporting should be contacted to obtain instructions, see *OP 70.27 Policy/Procedure 2.f. Student Relationships Which Are Not Employment*

***Suitable Means of Verification***

Verification that work was done that benefited a project may be asked for by an auditor; such things as lab notes, field notes, a written report, a product produced as a result of the project, etc. In the absence of such evidence, lab notes should be kept

***Technical Report Guidelines***

A document made available for use by researchers for developing a report of their research project to submit to the sponsor; often it is included in the agreement, see *Agreement*

***Terms and Conditions***

The details and particulars stipulated by a funding agency in awarding a research project

***Trainee***

A person being trained by Texas Tech University who is not an employee of Texas Tech University

***Training Projects***

A project to support the costs of training students or personnel in the techniques, research processes, or practices pertinent to a particular field

***University Policies (OP)***

Texas Tech University operating policies; available on the internet: [www.ttu.edu/~ttuopman](http://www.ttu.edu/~ttuopman)

***Unliquidated Obligations***

Allowable and allocable expenditures for a project that have not been paid, or for an encumbrance that has not been released; must be cleared from an account before final financial reports are due (30-90 days depending on the agreement); see *Final Financial Report*