



# Universidad *de* Puerto Rico

Office of Vice President for Academic Affairs and Research

## UNIVERSITY OF PUERTO RICO HANDBOOK OF POLICIES AND PROCEDURES FOR SPONSORED PROGRAMS



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## **I. Overview**

The UPR Handbook of Policies and Procedures for Sponsored Programs is a comprehensive tool and reference guide designed to support Principal Investigators (PIs), Research Administrators (RAs), Grant Managers and other staff responsible for both public and private grants and contracts. The handbook will be the primary repository of all UPR policies and procedures governing pre- and post-award administration of grants and contracts supporting sponsored programs. This is a dynamic document that will grow and evolve with changes in sponsor requirements and UPR's needs; as such, it will be reviewed and updated by the Vice President for Academic Affairs and Research (VPAAR).

The purpose of this handbook is:

- To provide a Principal Investigator (PI), Project Director (PD), or Grant Manager with information and guidance concerning external funding.
- To capture, simplify, and organize critical information in an easy-to-use format that UPR staff can reference while managing federal grants and contracts.

This handbook:

- Focuses primarily on federal grants and awards.
- In most cases, it assumes that UPR is acting as primary awardee.
- Presents policies and procedures governing sponsored programs throughout the University of Puerto Rico.
- Reduces the burden of overregulation created by institutional units that do not provide additional insurance of compliance, augments the costs of post-award administration, and affects the completion of research objectives.

The research enterprise can be characterized by a “cradle to grave” process. This process begins with a concept or idea that is turned into a proposal, followed by an award, the performance of the project, and several other steps that ultimately lead to the closeout process. Understanding the entire process will help university personnel be more effective research administrators and more successful principal investigators.

UPR campuses/units are encouraged to designate personnel specialized in Research Development to assist investigators in refining research ideas, finding external funding, communicating with program officers, and engaging in grant writing.

Management of grants and contracts, especially as it relates to federal sponsorship of research, is complex as there are numerous requirements. Sponsored projects are generally subject to both fiscal compliance controls, and non-fiscal or regulatory/programmatic compliance requirements. The University of Puerto Rico has the responsibility to ensure proper treatment of costs incurred on sponsored projects,

in compliance with all applicable federal laws and regulations (2 CFR 200), sponsor policies, award terms and conditions, and system-wide policies. All personnel involved in authorizing the expenditure of federal funds must understand and apply the cost principles contained in federal regulations, published by the Federal Office of Management and Budget (OMB) (2 CFR 200, Subpart E - Cost Principles). These principles govern costs that may be directly or indirectly charged to the government by educational institutions. As a general rule, the University of Puerto Rico applies the same cost principles to the expenditure of non-federal funds, with the exception of those cases where non-federal sponsors define allowable/unallowable costs differently than federal sponsors ([2 CFR 200.403-200.405](#)).

Any cost charged to a sponsor must satisfy the following criteria.

- Costs must be **necessary** and **reasonable**, meaning that the nature of the cost and its total amount, does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur in the cost was made ([2 CFR 200.404](#)).
- Costs must be **allocable**, meaning that the goods or services involved can be identified and charged or assigned to a particular Federal award or cost objective in accordance with the relative benefits received for that specific project ([2 CFR 200.405](#)).
- Costs must be **allowable** as defined by federal regulations ([2 CFR 200.403](#)) and/or by the specific award terms.
- If costs are not necessary, reasonable, allowable, and allocable, they cannot be charged to a sponsored project. It is a regulatory requirement that costs be handled consistently across the UPR.

In addition to these fiscal requirements, sponsored programs are subject to a complex compliance framework that varies depending on the nature of the research, the applicable legal and regulatory requirements, sponsor and program-specific terms and conditions, and particular university policies.

The handbook is not meant to replace the assistance and support from pre- and post-award sponsored programs administrators. If you need further clarification, contact your campus/unit Office of Sponsored Programs (OSP) staff or the Office for Management and Compliance for Sponsored Projects at Central Administration about any subject covered in this handbook.

## **II. Roles and responsibilities**

The overall authority and responsibility for proposal submission and execution, contracting, and fiscal/non-fiscal award administration and compliance rests on the President of the University of Puerto Rico and the Chancellors of each campus/unit. However, this authority and responsibilities can be delegated to administrative units, specialized roles and specific individuals within the UPR and each campus.

([Certification Number 36, 2009-2010](#)<sup>1</sup>) as amended by [Certification Number 106, 2017-2018](#)<sup>2</sup>)

Each campus/unit will maintain an organization chart that specifies how it has chosen to implement these roles and responsibilities, in alignment with its level of sponsored project activity, administrative complexity, and institutional resources.

The roles and responsibilities establish degrees of authority within the UPR related to financial transactions and programmatic compliance on sponsored accounts. Responsibility is defined as the authority to decide and be held accountable for that decision. To the greatest extent possible, responsibility is to be maintained at the campus/unit level to ensure that decisions are made by individuals with the best information. Oversight is always distinct from the decision maker.

### **A. Governing Board**

The Governing Board is the organism responsible for establishing policies and regulations for the oversight of the UPR system. It is accountable for the academic quality, fiscal and academic integrity, academic planning, assets, and financial health of the institution. It is thus the highest governing authority within the organizational and governance structure of the institution.

### **B. UPR President**

Pursuant to Board of Trustees [Certification Number 106, 2017-2018](#)<sup>2</sup> (As amended by [Certification Number 42, 2020-2021](#)<sup>3</sup>), the President of the UPR, authorizes each Chancellor to enter into contracts, proposals and other documents related to solicitation of funds from the federal government and other external sponsors, without review by the Central Administration or prior endorsement of the President, as long as they are not covered by the exceptions enumerated in Certification 106.

1. Ensures that Inter-institutional coordination and collaboration are sustained, and that effective links are established and maintained with outside organizations or groups, as required, in order to maximize funding opportunities by way of the proposals submitted to external sponsors for the benefit of the UPR.
2. Promotes that the Central Administration is kept informed about the laws and regulations governing federal and state governments, and other

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<sup>1</sup> <https://apicertificaciones.upr.edu/file/download/23683>

<sup>2</sup> <https://apicertificaciones.upr.edu/file/download/23683>

<sup>3</sup> <https://apicertificaciones.upr.edu/file/download/24489>



regulatory changes or interests of potential donors in order to anticipate and increase levels of external funding throughout the system.

3. Responsible for the establishment and maintenance in the UPR Central Administration of a monitoring and coordination system that generates integrated information on external funding, programs and human resources involved in its implementation, for the purpose of achieving effective planning and informed decision-making and ensuring compliance with the rules and regulations.
4. Ensures the completion of the necessary steps to present to the federal agencies, local or municipal governments, and the sponsors and private partners, the institutional policies and procedures applicable to pre and post award administration. These policies shall be updated and made accessible to the community.

### **C. UPR Vice President for Academic Affairs and Research**

Pursuant to Board of Trustees [Certification Number 114, 2019-2020<sup>\[08\]</sup>](#) (Amends [Certification Number 129, 2018-2019<sup>4</sup>](#)), the Executive Vice President, as head of the Vice Presidency, will be responsible for all initiatives regarding the university's agenda for Academic Affairs and Research. The VPAAR may delegate some of the functions described here to other institutional units, working groups or to Central Administration officers, as appropriate.

1. Launches and promotes multidisciplinary, collaborative, and infrastructure related initiatives designed to enhance the UPR's competitive position in external funding and research activities.
2. Assist faculty and staff with patents, funding opportunities, awards, and research protections.
3. Promotes alliances between the UPR researchers and the industry.
4. Protects and licenses UPR intellectual property.
5. Supports and promotes research and scholarly activities.
6. Promotes and communicates research findings and results.
7. Coordinates enhancements to the UPR research and technology infrastructure.
8. Coordinates data collection required for reports with campus/units.

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<sup>4</sup> <https://apicertificaciones.upr.edu/file/download/24331>

9. Distributes requests for reports and assists campus/units in understanding and responding to reporting requirements established by awarding agencies.
10. Fosters new start-up companies based on UPR discoveries in accordance with applicable laws.
11. Develops and stewards' relationships between UPR campuses/units and between the UPR and its peer institutions both locally and globally.
12. Promotes and allocates resources for development of research, technology, and educational initiatives by undertaking activities such as facilitating multi-campus, multi-disciplinary research centers, and providing hosting and support for workshops/seminars/conferences.
13. Facilitates interactions and collaboration between researchers, affiliated institutions and private industry.
14. Undertakes actions and projects designed to build an environment that fosters and rewards creativity, collaboration and community outreach.
15. Oversees compliance with federal, state and university regulations governing research and creative activities.
16. Provides guidance to Chancellors on all aspects related to research, research administration, and technology.
17. Evaluates creative and research activities; and recommends institutional measures and policies that promote the maximum use of resources.
18. Leads and coordinates initiatives with all Academic Affair Deanships and Research Deanships within the UPR units.
19. Promotes and evaluates research, creative activities and the development of projects for building/developing administrative/management structures, as well as the information infrastructure in the system.
20. Evaluates and recommends a development plan for the facilities and infrastructure needed for research and creative activities.
21. Establishes mechanisms and strategies for obtaining external resources that contribute to the development of research and creative activities.
22. Promotes the recognition of research and creative activities efforts in the UPR.
23. Promotes the establishment of multi-campus and multi-disciplinary research collaborations or institutes and evaluates their progress with the goal of reaching fiscal self-sufficiency and institutional competitiveness.

**D. Director of Intellectual Property and Technology Transfer** (Board of Trustees [Certification Number 114, 2019-2020<sup>\(OBJ\)</sup>](#))

1. Manage and record activities related to UPR Intellectual Property (IP)
2. Coordinates and supervises the implementation of institutional policies for intellectual property in the UPR.
3. Initiates transactions for the commercialization of patents in the UPR.
4. Analyses and implements strategies for the management of intellectual property developed by the UPR.
5. Assists in establishing research alliances with the industry for the benefit of the UPR.
6. Supports and collaborates with our researchers during patent applications and patent prosecution.
7. Advises the President and the Executive Vice President regarding the licensing of intellectual property.
8. Collaborates with patent external legal advisors in filing and patent prosecution procedures.
9. Assists and Coordinates tasks related to identifying/protecting intellectual property, innovation and technology transfers with government agencies, private enterprises and other academic institutions.
10. Participates in the negotiation of inter-institutional agreements that might contemplate joint research ventures that could include the development of intellectual property.
11. Create IP awareness through seminars for UPR students, UPR personnel and the general public.

**E. Director for Management and Compliance of Sponsored Projects**

1. Designs and implements system-wide strategies that assist the university's community to reach and maintain highly rigorous ethical principles and total compliance with federal, state and institutional laws, regulations, and policies for sponsored projects through the promotion of a culture of excellence and responsibility in research and creative activities, and the management of sponsored project funding.
2. Plans, coordinates, directs, and supervises activities for the implementation of policies and procedures related to research/creative activities.

3. Directs and implements activities to ensure integrity and compliance with federal and state policies for contracts and grants, including disciplinary actions for non-compliance.
4. Develops institutional policies and procedures in harmony with federal and state agency laws and regulations regarding sponsored projects.
5. Develops and provides training to the university community about policies and regulations for the administration of sponsored projects.
6. Executes continuous compliance evaluations by monitoring, reporting, and audit reviews.
7. Requires and supervises corrective action plans when these are needed.
8. Knows and implements the federal statute "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," and other policies of federal agencies for the administration of sponsored projects.
9. Advises the different UPR system components, including the President and Executive Vice President, regarding UPR policies and regulations related to research/creative activities integrity.
10. Proposes institutional policies that advance the development of best administrative practices for the UPR.
11. Develops and presents reports related to different processes of research/creation activities.
12. Provides technical assistance to units during sponsoring agency visits.

#### **F. UPR Vice President for External Resources**

1. Is responsible for establishing strategies for obtaining external funding for research, education, services, infrastructure and other strategic goals.
2. Plans and implements the President's work plan for identifying and obtaining external funding for research, education, services, infrastructure and other strategic goals.
3. Advises the university administration about the regulations, norms and policies that rule sponsored programs available from federal and state agencies, and the private sector.
4. Develops and maintains communication channels with federal and state entities and the private sector that result in strengthening and expanding the UPR external resources portfolio.

5. Offers workshops and training about external funds, budget development, electronic searches for external funding and proposal development, among others.
6. Meets with deans and professors to conceptualize projects for the development of proposals for the federal government.
7. Continuously assists the university community in areas of fundraising, proposal development, the application of federal regulations, among others.
8. Facilitates the coordination, editing and preparation of UPR proposals.
9. Visits federal and state agencies and the private sector entities for the development of projects as external funding opportunities become available.
10. Works in collaboration with the Finance Office to evaluate resources and procedures that can increase funds recovery from sponsors.
11. Meets periodically with campus liaisons to share information that facilitates external funding procurement.
12. Prepares periodical communications with the purpose of sharing information about available funding from different agencies, changes in federal regulations, among other relevant topics.
13. Establishes and maintains databases of submitted and approved proposals in all campuses and research centers.
14. Supports university community members on proposal development for external funding that will be presented to federal agencies.
15. Identifies external funding opportunities to match with investigators' research and creative activities areas of interest, as requested.
16. Coordinates technical assistance and training from federal agencies.

## **G. Chancellors**

Chancellors may delegate some of the functions described here to the Authorized Organizational Representative, the Director of the Office of Sponsored Programs and its staff, or the Institutional Coordinator as appropriate, in accordance with the campus level of sponsored project activity, administrative complexity, and institutional resources.

1. Authorized to act on behalf of the campus/unit and to assume the obligations imposed by federal and local laws, agency regulations, requirements, and conditions as well as UPR policies applicable to proposed activities and the awarded projects.

2. Assigns the campus' Authorized Organizational Representative (AOR), who is generally delegated most of the Chancellor's signatory authority and responsibility for sponsored program administration.
3. Certifies that the campus/unit complies with all applicable assurances and certifications referenced in a proposal application.
4. Fosters collaborative research, innovation, technology commercialization, and entrepreneurship.
5. Focuses special attention and provides human and financial resources to address compliance issues, managing campus risk levels and ensuring reduced risk in a number of crucial regulatory areas. Also, appoints a campus/unit compliance liaison that works together with the Director for Management and Compliance of Sponsored Projects in Central Administration in the execution of compliance standards.
6. Encourages collaboration with other institutions, the general public, and the private industry in order to diversify and augment the UPR's academic and research portfolio.
7. Oversees the overall effective coordination of research administration services, systems, policies, and processes.
8. Assigns the administrative units that have the responsibility of providing services related to sponsored programs or research administration, which encompass pre-award, post-award, research finance, and non-fiscal compliance.
9. Approves internal review procedures to ensure that the commitment established in a proposal for external funding is consistent with the campus' mission, goals, objectives and the available budget for the development of research and academic programs.
10. Approves procedures for the preparation, processing, approval and submission of proposals, the provision of post-award services and compliance monitoring, and the efficient management of funded projects. These internal documents shall be consistent with UPR institutional policy, guidelines, and regulations.
11. Ensures campus/units' regulations will not place undue or additional burden for the administration and/or performance of sponsored programs.
12. Recruits and maintains the adequate staff to prepare timely reports required by the Central Administration and sponsors.
13. Provides financial and administrative support for review boards and other compliance mechanisms, as necessary, to ensure full compliance with

sponsored projects terms and conditions and with applicable regulatory frameworks. These include, but are not limited to, the following risk areas:

1. Human Subject Research
2. Biological Safety, Security and Disposal of Hazardous Material
3. Care of Animals in Research
4. Drug Use and Abuse
5. Research Integrity, Responsible Conduct of Research and other procedures for handling misconduct in scientific research
6. Export Controls
7. Financial Conflict of Interest
8. Conflict of Commitment
9. Foreign Influence

#### **H. Deans**

1. Guides and promotes the school's sponsored research and creative activity to enhance UPR's scholarly productivity.
2. Fosters collaborative research, innovation, technology commercialization and entrepreneurship.
3. Ensures that all sources of matching funds are appropriately identified at the time of proposal submission and that any commitments beyond the life of the grant are documented.
4. Verifies and approves the following institutional commitments, as applicable: release time, in-kind effort, equipment purchases, funds for administrative assistance, use of facilities, expenditures for travel, and matching funds sources.
5. Ensures the proposed project is appropriate and aligned with the departmental and institutional mission, and that any institutional commitments are aligned with identified institutional research priorities.
6. Ensures required research staff compliance with the Responsible Conduct of Research policy and its training requirements.
7. Department Chair/Center Director
8. Promotes the department's sponsored research and creative activity to enhance the UPR's scholarly productivity.

9. Fosters collaborative research, innovation, technology commercialization, and entrepreneurship at the department level.
10. Certifies that the proposal's purpose, scope and plan of operations are aligned with the institution's best interest.
11. Checks the proposals for scientific/academic accuracy of content.

#### **I. Office of Sponsored Programs (OSP) / Institutional Coordinator**

The organization of the office of sponsored programs can vary by campus/unit, but it is a distinct administrative unit with cross-sectional responsibilities that includes research development, pre-award and post-award administration, finance and compliance functions. Depending on volume requirements, the OSP may be substituted by an institutional coordinator in collaboration with other campus units. The OSP leadership should:

1. Provides institutional leadership through ongoing capacity building to ensure success in obtaining external funding and administration of sponsored programs.
2. Ensures staff that provide support to the administration of sponsored projects are adequately trained and up to date on research development, administration, and compliance.
3. Provides guidance and training on Federal regulations, agency requirements, and UPR's regulations, and policies and procedures to ensure compliance.
4. Identifies and disseminates funding sources/opportunities to faculty and UPR leadership.
5. Maintains a database of submitted and awarded proposals, in order to fulfill reporting requirements from campus and Central Administration.
6. Ensures proposals comply with the program guidelines.
7. Ensures that PIs have knowledge of laws, regulations and guidelines to be in compliance.
8. Provides guidance and support on the development of budget and budget narratives to achieve the proposed work.
9. Verifies Institutional Base Salaries information with Human Resources Offices charged as direct costs or cost-sharing.
10. Reviews proposals and requests necessary changes to the PI prior to submission.



11. Verifies that fiscal and non-fiscal institutional commitments have been approved by the appropriate office and reviews the technical quality of the document (Responsiveness to RFP and agency guidelines).
12. Reviews each proposal to be submitted, verifies that matching funds sources are identified (if applicable) and ensures any commitments beyond the life of the grant are documented.
13. Staff maintain required access to sponsor's platforms.
14. Assists faculty in interpreting the grant terms and conditions, facilitates compensation payments, authorizes budget changes to be made in accordance with agency's rules, regulations and terms and conditions.
15. Ensures the creation of the new accounts upon the award acceptance/approval to make sure that the project can start on time, according with the notice of award and the terms and conditions.
16. Monitors and follow-up project progress and expenditure levels.
17. Ensures the timely submission of interim and closeout reports.
18. Verifies cost share in accordance with award term and conditions.
19. Approves financial transactions on sponsored projects assuring that costs are allowable, and transactions represent an appropriate allocation of costs in accordance with federal regulations, UPR, and sponsoring agency policies and procedures.
20. Prepares, submits and follow-up on invoices for sponsored projects.
21. Verifies data within effort certification submissions in accordance with UPR policies and procedures.
22. Collaborates in the preparation and response to internal and external audit processes.

**J. Principal Investigator/Program Director (PI/PD)**

Pre-award responsibilities:

1. Bears primary responsibility for the accuracy of all contents in the proposal and for compliance with all applicable regulations during proposal development and submission.
2. Is ultimately responsible for the leadership, execution and compliance of any project during the award period. When the PI receives the assistance of administrative personnel, responsibility for the programmatic, financial and compliance aspects of a project remain with the PI.

3. Informs the OSP, the department chair, and school dean of his/her intention to submit a proposal and its contents.
4. The PI must obtain approval from the department chair and school dean prior to the submission of the proposal. The use of electronic routing and approval processes does not eliminate the PI's responsibility to discuss institutional commitments ahead of time with his/her chair and dean.
5. Ensures that the proposal meets all applicable compliance requirements during proposal development, prior to award acceptance and starting work on a project. This includes, but is not limited to:
  1. Institutional Review Board (IRB) approval for Human Subjects Research
  2. Institutional Animal Care and Use Committee (IACUC)
  3. Financial Conflict of Interest (FCOI)
  4. Research Misconduct
  5. Responsible Conduct of Research (RCR) training and/or Human Subjects Research (HSR) education
  6. Export Controls
6. Responsible for taking the necessary actions to limit the risk of noncompliance with all applicable regulations, including those mentioned above during the project period.
7. Consults budgetary items with the OSP, prior to the submission of the grant. Special attention should be paid to Facilities and Administration (F&A) costs, matching costs or cost sharing provisions.
8. Submits the final complete proposal, with all required attachments/supporting documents (project narrative, budget, budget justification, letters of support or commitments, among others) to the OSP or its equivalent, no less than 10 business days prior to the sponsor's submission deadline. The AOR cannot guarantee timely submission if this deadline is not met. **Note:** *The proponents should notify the OSP or its equivalent through a phone call or email of his/her intention for proposal submission, no less than 15 business days prior to the sponsor's submission deadline. The OSP or its equivalent will send the final proposal to the AOR for consideration and for the possible endorsement of the chancellor, five (5) business days prior to the sponsor's submission deadline.*

Post-award responsibilities:

1. Notifies and shares with OSP award or nonacceptance notices, award negotiation requests and proposal reviews.
2. Reviews the award for budget accuracy, award terms and conditions, and other award initiation procedures. Request any necessary approvals.
3. Determines financial charges that are allocable to the sponsored project, including cost transfers.
4. Attests to the allowability and reasonableness of all expenditures.
5. Responsible for the completion, accuracy and timeliness of all required reports.
6. Initiates hiring/assignment of personnel working on the sponsored project.
7. Initiates subcontracts and subawards agreements and approves subcontractor or sub-awardee invoices for payments.
8. Initiates rebudgeting requests.
9. Monitors spending against budget, evaluating project expenditure rate to note and address overspending or under-spending.
10. Identifies and allocates any program income (such as revenue from sales and services of goods developed in conjunction with a sponsored project).
11. Ensures project personnel compliance with all applicable regulations and reports instances of non-compliance to the cognizant compliance office or officer.
12. Initiates requests for No-Cost Extensions.
13. Responsible for initiating all closeout procedures.
14. Responsible for the implementation, administration and management of the sponsored project in compliance with the restrictions and provisions established in the grant agreement or contract. Special attention must be given to budget constraints, the protection of health and safety, and the terms, conditions and reporting requirements established by sponsors.
15. Verifies and certifies the accuracy of effort reports for all project personnel.

#### **K. Departmental/Project Administrator**

Project administration may be performed by different positions within the University System. For the purpose of this Handbook, Project Administrator (PA) is defined as the person that provides direct administrative support to sponsored programs. He/She provides a vital support function that is distinct from the finance roles at the institution. Depending on the campus/unit

structure and resource allocation, these duties may be centralized within the sponsored programs office, distributed at the departmental or program level, or delegated to the PI/PD. Responsibilities include:

1. Assists PI/PD in the search for appropriate funding sources for intended projects.
2. Assists PI/PD in reviewing the program's guidelines and informs faculty if it is the best fit for his project.
3. Establishes Pre-award timeline to insure a successful submittal of the proposal.
4. Assists PI/PD in obtaining appropriate internal approvals, in accordance with federal and local laws and regulations, UPR and sponsoring agency policies and procedures, and terms and conditions prior to submitting proposals to sponsors.
5. Provides assistance to PI/PD in preparing categorized budget and justification in accordance with all applicable Federal regulations, UPR, and sponsor's policies and procedures.
6. Provides administrative support to PI/PD in preparing protocols associated with compliance (e.g., human subjects and/or animals in research, etc.) necessary to support the research.
7. Assists the PI/PD in reviewing the categorized budget based on the actual award and the specific needs of the project.
8. Assists the PI/PD in coordinating financial, personnel, and related aspects of the sponsored program in accordance with federal regulations, UPR, and sponsor's policies and procedures.
9. Verifies that the correct facilities and administrative (F&A) cost rate to any sponsored project budget in accordance with sponsor's and UPR guidelines and policies.
10. Assists the PI/PD and the Institutional Property Office in obtaining, maintaining, and safeguarding property used to conduct research according to federal regulations and UPR and sponsoring agency policies and procedures.
11. Provides administrative support to the PI/PD for the timely completion and submission of all technical and/or progress reports, in coordination with the sponsored program office.

12. Assists the PI/PD in the accurate and timely submission of final closeout documents to the sponsoring agency, as specified by agency policies and procedures, in coordination with the sponsored program office.
13. Follow-up day-to-day financial transactions.
14. Reviews financial transactions on sponsored projects to verify that costs are allowable, and transactions represent an appropriate allocation of costs in accordance with federal regulations, UPR, and sponsoring agency policies and procedures.
15. Advises PI/PD on financial and administrative matters, and serves as liaison between the Principal Investigator, the sponsored programs office, and the compliance offices.
16. Verifies that appropriate cost-sharing obligation has been met and is in compliance with all applicable federal regulations, UPR, and sponsoring agency policies and procedures.
17. Monitors approved budget and notifies PI/PD of possible cost overruns and advises PI/PD on resolutions.
18. Remains up to date on current UPR policies and procedures with regard to the requirements of the sponsored programs offices.
19. Assists the PI/PD in disclosing and reporting patent and invention information in accordance with federal and state regulations, UPR and sponsoring agency policies and procedures.

**L. Authorized Organizational Representative/Designee**

1. Certifies that the applicant organization will be accountable both for appropriate use of funds awarded and for the performance of the sponsored project activities resulting from the application.
2. Submits electronically or by hard copy the proposal to the sponsoring agency.
3. Submits just-in-time documentation, progress reports, closeout, no-cost extensions, carryovers, and any other required documentation or information.
4. Verifies performance of sponsor terms and conditions, UPR policies, and federal regulations and requirements.
5. Manages agency platforms accounts and updates institutional information on all applicable sites.
6. Serves as a liaison between sponsors and the campus/unit and is responsible for award negotiations.

## **M. Sponsored Programs Finance**

Depending on the volume of campus/unit research activity, Research Finance functions may be carried out by the institutional Finance or Budget Offices or by one or more dedicated units within the Office of Sponsored Programs. The responsibilities include:

1. Creates project accounts and assigns budget into the UPR's financial system according to approved budget.
2. Provides budgetary management assistance and guidance to PI/PD and or Project Administrator to facilitate resolution of accounting problems.
3. Manages the necessary paperwork to acquire the goods and resources needed to carry out the project.
4. Processes rebudgeting requests in accordance with sponsor's guidelines.
5. Completes interim and final property reporting and ensures that disposition instructions are followed.
6. Prepares financial journal entries when needed to adjust charges to the accounts.
7. Reviews financial reports on purchases, expenditures, encumbrances, available balances, among others; and initiates any necessary corrections in a timely manner.
8. Reviews requests for budget change and justification, determines level of authority required, forward to agency or process.
9. Reviews, approves and processes all cost transfers.
10. Prepares and submits invoices and receives payments; monitors accounts receivables and follows up as needed.
11. Monitors expenditures in restricted budget categories.
12. Prepares, reconciles, and submits interim and final financial status reports.
13. Facilitates any information request from internal/external auditors on any auditing/monitoring processes in a timely manner.

## **N. Property Office**

[Certification Number 062, 1994-1995, Board of Trustees<sup>\[OBJ\]</sup>](#) (As amended by [Certification Number 167, 2014-2015<sup>5</sup>](#)), establishes the policy and procedures to manage tangible property and property purchased with federal funds.

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<sup>5</sup> <https://apicertificaciones.upr.edu/file/download/25748>

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or above and \$500 or above for computational devices. The property office responsibilities within sponsored projects include:

1. Make sure that inventories are performed and federally purchased property is identified as such and accounted for as established in Federal and UPR regulations.
2. Tag and document physical location of equipment in the UPR property system.
3. Provide inventory reports of individual project's property as requested.

### **III. Pre-award**

Pre-award services are the activities and processes that enable an institution to obtain externally funded research and sponsored programs. The exact nature of those services varies, depending upon the size of the campus/unit, its culture, and mission. The Board of Trustees [Certification Number 106, 2017-2018](#)<sup>6</sup> (As amended by [Certification Number 42, 2020-2021](#)<sup>7</sup>), Institutional Policy for Obtaining, Using and Controlling External Funds to be Received by the University of Puerto Rico for Educational Programs, Research and Public Service, provides the rules governing the application, collection, use and control of external funding in the UPR.

#### **A. Institutional Accounts and Registrations**

During the proposal development process PI/PDs may require specific Institutional Information that must be provided and made available in the corresponding webpages, by the office of the VPAAR, and campus/unit Office of Sponsored Programs. These include, but are not limited to, institutional identification numbers, current indirect cost rates, fringe benefits rates, and audit reports.

Only OSP designees will be in charge of the administration of platforms that contain campus/unit credentials required by sponsors to submit proposals. OSP must take the appropriate measures to ensure that access to these platforms can be gained after designees do not have these responsibilities or are no longer UPR's employees. OSP will be responsible for providing correct institutional information to the PI/PD. The PI/PD cannot initiate campus/unit registrations for the purpose of a grant submission.

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<sup>6</sup> <https://apicertificaciones.upr.edu/file/download/23683>

<sup>7</sup> <https://apicertificaciones.upr.edu/file/download/24489>

## **B. Finding and Disseminating Funding Opportunities**

The first step toward external funding success is the identification of sources of funding opportunities and search for sponsor information. The Office of the VPER, and campus/unit Office of Sponsored Programs may disseminate this type of information in their publications or webpages. The information available to the university community through the latter offices/services must be periodically updated to assure that the university keeps abreast about common and new sources of funding, and new developments affecting the grant-seeking process.

## **C. Proposal Development, Review and Approval**

Once university faculty or investigators identify the most appropriate sponsor and grant mechanism, the proposal development and preparation process begin. To be successful, grant writers must carefully study the proposal guidelines, including but not limited to the program announcement and the particular sponsor guidelines.

The format or presentation of a particular proposal will depend on the requirements of the sponsor. Proposals are technical documents that must adequately respond to all sponsor requirements. Failure to do so may lead to administrative withdrawal of submitted grants and awards by the sponsor. The Office of the VPAAR, and the campus/unit Offices of Sponsored Programs, and a variety of institutional resources provide guidance in this process.

In general, the key components of a proposal are:

1. Face page/Cover page: The cover page captures general information elements about a proposal, such as:
  1. Principal Investigator's name, address, phone number
  2. Title of proposal
  3. Sponsor name and address
  4. Period of performance with start and end dates
  5. Amount requested
  6. Institutional information (Legal Name, UEI, EIN, address, etc.)
  7. Signature of Institution's Authorizing Official
2. Project summary/Abstract: Outlines the proposed research, including objectives, methodology, and significance of the research or educational activities.



3. **Project Narrative:** Provides a full and detailed explanation of the proposed activity, including project goals and objectives, expected outcomes, methodology, and key personnel responsibilities.
4. **Budget and budget justification:** The budget includes a reasonable estimate of the financial support required to conduct the project, including a justification of each category of budget expenses. The total budget includes funding provided by the sponsor and any cost-sharing commitments, if applicable. For proposals that contain subawards, each subaward must include a separate budget justification.
5. **Budget Categories**
  1. *Direct costs:* Are specifically associated with a particular sponsored program or activity or can be directly assigned to that project or activity with a high degree of accuracy.
  2. *Salaries and wages:* Proposals should accurately represent the amount of direct research effort that personnel are committing to the project. For UPR professionals and research staff, graduate and undergraduate students (wages), and part-time workers, salary figures should be based on the effort to be dedicated to the project and the estimated institutional base salary (IBS).
  3. *Fringe benefits:* The fringe benefits may include social security, Medicare, state insurance fund, retirement, unemployment, health insurance and Christmas bonus. The applicable fringe benefits may vary depending on personnel classification, type of payment (e.g., summer salary) and available budget, and must follow the applicable UPR and sponsor's policy and regulations.
  4. *Equipment:* Under UPR financial policy, an item is considered capital equipment when it has a unit cost of \$5,000 or more and has a useful life of more than one year (Finance Circular 14-18 (amended) - Capital equipment classification<sup>8</sup>). If an item is less than \$5,000 per unit, it should be budgeted as supplies. Equipment expenses are not computed as part of the indirect cost base.
  5. *Travel:* Domestic and foreign travel should be shown separately. If known, list the names of individuals traveling, destination, travel purpose, and estimated dates. Includes estimated cost for airfare (coach airfare) and ground

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<sup>8</sup> <https://www.upr.edu/wp-content/uploads/2017/04/Finance-Circular-14-18-Capital-Equipment-Classification-Amended.pdf>

transportation costs, registration fees, accommodation fees, per diem and other related expenses.

6. *Participant support costs*: Refer to students or other types of participants in a training program, and not research subjects. These costs may include stipends, travel, tuition, subsistence, and other costs associated with program participation. Participant costs **must not include incentives paid to research subjects as compensation for their participation**. These costs are not computed as part of the indirect cost base.
7. *Materials and supplies*: Itemize supplies in separate categories, such as: laboratory supplies, general materials, computing devices, animals, etc.
8. *Consultants*: A consultant is an independent contractor who is not an employee of UPR. Consulting services are generally provided by an individual who is considered an expert in the field. The proposal should include a letter of collaboration including dates of service, rate of pay, other expenses and deliverables, and the consultant's curriculum vitae or biographical sketch. (Refer to 2 CFR 200.459 for additional information on the allowability of consultant costs).
9. *Subrecipients*: Any subrecipient should be identified at proposal stage; please refer to the subrecipient vs. contractor guidance in [2 CFR 200.330](#). Include in the main proposal the subrecipient's authorized proposal, letter of intent, statement of work, and budget with justification.
10. *Other direct costs*: Generally, includes research publications costs, equipment or facility rental/user fees, research subject incentives, or other project related costs.
11. *Alterations and renovations*: These costs include rearrangement and reconversion of spaces to be utilized for the project and can be included in the budget if proposal and sponsor guidelines allow them. They require prior approval of the sponsor ([2 CFR 200.462](#)). Construction costs must not be included in the budget unless the proposal guidelines state it.
12. *Facilities and administrative (F&A) or Indirect costs*: Are those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. Use current negotiated rates in proposals

for the type of project being proposed (organized research, other sponsored activity, sponsored training). If a sponsor has policies regarding F&A rates, budget rates should reflect those policies. Campus/units without a negotiated F&A agreement must use the ten percent (10%) *de minimis* indirect cost rate when permitted by the sponsoring agency.

13. *Cost sharing*: Cost sharing is any project cost that is not reimbursed by the sponsor to support the scope of work defined by the federal or non-federal sponsored award. Cost sharing, also known as matching, is funded by the university or a third-party, which is generally a non-federal resource. (See also 2 CFR 200.306; 2 CFR 200.29). Types of cost sharing:

1. *Mandatory committed cost sharing*: Costs required as a condition of the award which must be tracked and may require reporting. This type of cost sharing is required by the sponsor and must be included in the proposal.
2. *Voluntary committed cost sharing*: Cost sharing specifically pledged by UPR on a voluntary basis which is quantified in either the proposal budget and/or narrative and becomes a binding requirement of the award, must be tracked, and may require reporting.
3. *Voluntary uncommitted cost sharing*: Costs and effort that are not included as part of the submitted proposal or upon acceptance of the award. This does not need to be tracked or reported.
4. *Over-the-cap salary*: The portion of a faculty or staff member's salary and associated fringe benefits that exceed the regulatory maximum imposed by the sponsor (e.g., National Institutes of Health and Department of Defense salary cap). Over-the-cap salary cannot be used to meet a mandatory or voluntary committed cost sharing requirement, since it is considered an unallowable cost to the sponsor. This should be tracked via companion account for effort reporting.
5. *In-kind cost sharing*: In-kind cost sharing are contributions wherein the value can be readily determined, verified, documented, and justified but where no actual cash is transacted in securing the good or service comprising the contribution. When applicable, an estimated value of the in-kind cost sharing should be determined and

documented based on the fair market value at the time of the accepting award and the proportional benefit of that value to the project. In-kind cost sharing must be tracked manually by the department/local unit managing the award.

6. *Unrecovered indirect costs*: Including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the federal award and the amount which could have been charged to the federal award under the non-federal entity's approved negotiated indirect cost rate ([Circular ORCI-2018-2019-01](https://www.upr.edu/wp-content/uploads/2018/09/Circular-Costos-compartidos-ESPA%C3%91OL-ORCI-2018-2019-01)<sup>9</sup>).
6. CV or Biographical sketch: Is required for all key project personnel and contains targeted expertise information to perform proposed activities, such as: publications, previous research experience, personal statement, previous support.
7. Additional information: May consist of the following:
8. Current and pending support. Sponsors may require a listing of the PI and key personnel on current awards and pending proposals.
9. Letters of support from non-university investigators may also be required. If the proposal is a fellowship, a mentor support letter may be required.
10. References: A list of all references needs to be cited in the proposal.

#### **D. Steps for Proposal Preparation, Review and Institutional Approval**

1. PI/PD contacts the OSP to notify the intent to submit a proposal and for orientation on the specific internal procedures.
2. When required by the potential sponsor, the PI/PD must:
  1. Prepares a letter of intent/notice of intent. This document briefly describes a summary of the intention to submit a full proposal to the sponsor agency. A letter of intent is not a binding agreement.
  2. Prepares a preliminary proposal taking into consideration the sponsoring agency guidelines.

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<sup>9</sup> <https://www.upr.edu/wp-content/uploads/2018/09/Circular-Costos-compartidos-ESPA%C3%91OL-ORCI-2018-2019-01.pdf>

3. PI/PD prepares the proposal in accordance with UPR regulations, federal regulations, and sponsor guidelines.
4. PI/PD initiates procedures for IRB, IACUC, biohazard, radioisotope protocols approvals, and/or any other required regulatory compliance process, as applicable, to the proposed work, if required at the time of submission. However, PI/PDs must ensure to obtain approval close to the proposed start date of the project, in order to prevent delays in issuance of the award, and according with the policies and terms and conditions of the sponsor.
5. PI/PD and CO-PI's must comply with the Financial Conflict of Interest (FCOI) disclosure, Responsible Conduct of Research (RCR) training and assurances, among other requirements, as applicable.
6. When required by the funding program, OSP ensures compliance with State Executive Order 12372, "Intergovernmental Review of Federal Programs" (Single Point of Contact - SPOC).
7. Proposals will be submitted by the AOR, or by the PI/PD when is require by the sponsor or program, with assistance from the institutional OSP. All proposals must obtain the necessary and applicable institutional approvals prior to submission to the sponsor. This approval process will be documented via routing in an Electronic Research Administration (ERA) system, or in its absence a proposal transmittal and approval form.
  1. Approval routing structure in ERA system and/or required form signatures can be affected by the departments of the PIs and Co-PIs involved in the proposal, institutional commitments and sponsor requirements.
  2. At a minimum, a proposal approval process will involve the PI/PD and Co-PIs/PDs, their department chairs, deans, and the AOR/Director of the OSP.
  3. Chancellors, or the AORs that have their delegated authority, will provide the final signature of approval in a routing process, except for the cases indicated in Certification 106, 2017-2018<sup>10</sup>, where the UPR President must approve a proposal prior to submission.
8. The completed form or the ERA system approvals, along with the final complete proposal, should be received by the campus OSP, no less than 10 business days prior to the sponsor's deadline. The UPR cannot guarantee the review and submission of proposals that do not meet this deadline. Proposals that include a commitment for matching funds or other

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<sup>10</sup> <https://apicertificaciones.upr.edu/file/download/23683>

institutional commitments can require additional approvals and/or internal monitoring plans, which will result in additional processing time prior to submission.

#### **E. Proposal Submission**

The OSP reviews applications and proposals and routes the final proposal to the Authorized Organizational Representative (AOR) for submission to the sponsoring agency. PI/PD should be available to answer questions and resolve any issues that may arise during the process.

#### **F. Certification and assurances**

Each proposal to the federal government, as well as many non-federal proposals, require a variety of assurances and certifications. Grant applications may include one or more forms that address these requirements or include a statement that the signature of the institutional official automatically certifies to the federal agency that the University complies. The certifications and assurance forms will be signed as part of the University proposal review process.

#### **G. Award Negotiation**

The AOR, in coordination with the PI/PD, is responsible for submitting any information required prior to the issuance of the Award, and or conducting all negotiations of conditions established by the sponsor.

The OSP, in coordination with the PI/PD, is responsible for ensuring that the terms and conditions of an award are acceptable to the campus/unit and can be accomplished within the established amount of time and budget.

#### **H. Award Acceptance**

Award notifications sent to the PI/PD or to the AOR must be sent immediately to the OSP, along with any relevant information.

1. The PI/PD is not authorized to sign a grant award or contract in representation of the university.
2. To complete a legal agreement between the sponsor and the UPR, all grants and contracts must be formally accepted by the Chancellor or his/her designee. The formal acceptance of the award is the signal for the activation of the project. Some awards do not require a formal response from the sponsor. In these cases, authorization to open the project accounts and begin project activities will constitute the formal acceptance of the award.

#### **I. Pre-award Spending**

Pre-award costs are those incurred prior to the effective date of the federal award directly pursuant to the negotiation and in anticipation of the federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award (2 CFR 200.458).

Pre-award expenditures will be authorized when the PI/PD presents a formal request to the OSP, and the Chancellor or designee authority grants approval (AOR). Pre-award spending is allowed with prior written approval of the sponsor. This request must present evidence that it is absolutely necessary for the advancement and progress of the corresponding sponsored project/program.

If the sponsor allows pre-award costs, appropriate expenses can be charged to a related research account, a departmental account, or a PI/PD account during the pre-award period and then transferred to the new award after it has been established. Due to the risks, liabilities and limitations of pre-award spending, the University must take full advantage of the pre-award spending authority granted by sponsors. **The PI/PD must exercise careful consideration prior to requesting authorization to spend funds in advance of receiving the award and procure assurance by an authorized representative of the sponsor that an award is forthcoming.**

A federal sponsoring agency is under no obligation to reimburse such costs if for any reason the university does not receive an award, if the award is delayed, or if the final amount received is less than anticipated and inadequate to cover such costs. In this context, the PI/PD must exercise careful consideration before requesting authorization to spend funds prior to receiving the award and procure assurance by an authorized representative of the sponsor that an award is forthcoming.

Pre-award expenditures must meet the requirements of allowability as described in 2 CFR 200.403.

## **J. Cost Sharing Special Considerations**

The Board of Trustees Certification Number 16, 2011-2012<sup>11</sup> (Amended by Certification Number 49, 2012-2013<sup>12</sup>) establishes the UPR Policies and Procedures on Cost Sharing including aspects related to their identification, funding, accounting, monitoring, and reporting in conformity with UPR and

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<sup>11</sup> <https://apicertificaciones.upr.edu/file/download/21741>

<sup>12</sup> [https://www.cayey.upr.edu/wp-content/uploads/sites/10/2019/03/certification-number-\\_49\\_js\\_2012-2013\\_ammendments\\_to\\_cert\\_no\\_14\\_15\\_16\\_2011-2012.pdf](https://www.cayey.upr.edu/wp-content/uploads/sites/10/2019/03/certification-number-_49_js_2012-2013_ammendments_to_cert_no_14_15_16_2011-2012.pdf)

sponsor's guidelines. Some sponsors require institutional cost sharing/matching on their grants and contracts as a matter of statute, regulation, or policy. In these cases, the UPR is inclined to meet the sponsor's cost sharing/matching requirements for proposed projects that have the potential to advance the UPR's mission and goals.

According to [2 CFR 200.306](#), "*Under federal research proposals, **voluntary committed cost sharing is not expected**. It cannot be used as a factor during the merit review of applications or proposals but may be considered if it is both in accordance with federal awarding agency regulations and specified in a notice of funding opportunity.*" **Voluntary cost sharing should not be included in a federal proposal.**

Proposed and actual cost sharing expenditures must adhere to the same requirements as expenditures charged to the sponsoring agency and must comply with the following:

1. Sponsor's award terms and conditions
2. Federal regulations
3. UPR's sponsored projects policies and guidelines.

For federally funded sponsored awards, [2 CFR 200.306](#) requires that "cost sharing funds are: (a) verifiable from the University's records, (b) not included as contributions for any other federal award, (c) necessary and reasonable for the accomplishment of the project or program objectives, (d) are allowable under Subpart E Cost Principles, (e) not paid from another federal award and, (f) included in the approved budget when required by the federal awarding agency."

All cost shared effort commitments from university employees must be documented through the financial and Time & Effort reporting systems. Failure to appropriately document cost sharing from verifiable official University records could result in audit findings and require the return of funds to the sponsor. To ensure compliance, campus/units will implement controls on the source, responsible campus staff, and documentation process for all cost sharing that are not collected in institutional systems.

Campus/unit OSPs must ensure that cost shares outside the scope of Time & Effort reporting are documented in an internal monitoring plan, subject to post-award approval. Noncompliance with this documentation requirement should preclude either the cost-share source's inclusion in an institutional proposal, or the award acceptance.



## **K. Special Consideration in Commitments Beyond Project Life**

Campus program institutionalization commitments specified in a funded proposal must be complied with and should be monitored for an adequate period of time after the project end date. Thus, careful consideration should be given to ensure that commitments beyond the life of a project will have enough resources after the external funding expires.

## **L. Subcontracting Classification**

According to [2CFR 200.330\(c\)](#), the classification of a partner in either a contractor or subrecipient is the responsibility of the pass-through entity (PTE). This determination might not be obvious in many cases and the substance of the relation is more important than the form. An intercampus agreement should be considered a subaward, the difference strives in the compliance and contracting requirement. A formal contract for an intercampus agreement is not required since the UPR is considered a single entity.

The proper classification of a task as a *subaward* or *contract* at the time it is proposed is critical to ensure proper accounting for costs and compliance requirements. Misclassification may result in delays in subaward processing or inaccurate calculation of costs. The PI/PD of the sponsored project, with the support of the OSP, is responsible for determining the classification at the time that funding is first requested from the sponsor.

Subaward classification is appropriate when:

1. The campus/unit determines who is eligible to receive a subaward.
2. The entity has its performance measured in relation to whether the objectives of the sponsored project are met.
3. The entity is responsible for programmatic decision-making.
4. The entity is responsible for observance to applicable sponsored project requirements.
5. The entity uses funds to carry out the sponsored project rather than providing goods or service.

Contract classification is appropriate when:

1. The entity provides goods and services within normal business operations.

2. The entity provides similar goods and services to many different buyers.
3. The entity normally operates in a competitive environment.
4. The entity provides goods and services that are ancillary to the operation of the sponsored project; and
5. The entity is not subject to the compliance requirements of the sponsor as a result of the contract.

Please refer to **Appendix A** to complete the form *Checklist to Determine Subrecipient or Contractor Classification*. This form must be part of the award record. The PI/PD, with the support of the OSP, must use judgement in making the determination and in doing so, the substance of the relationship is more important than the form of the agreement. **All of characteristics listed above may not be present in all cases.**

#### **M. Subrecipient Management at Proposal Stage**

Once the potential subrecipient is identified and it is determined that a subaward is the appropriate mechanism, the PI/PD assisted by the OSP obtains the subrecipient proposal elements from their subrecipient. The proposal must include the following elements for each named subrecipient to be endorsed by the AOR.

1. The subrecipient's statement of work (SOW), including a clear description of the work to be performed, the proposed timelines, and deliverables.
2. The subrecipient's budget and budget justification, including the subrecipient's direct and indirect costs, calculated using both the subrecipient's F&A and fringe benefit rates, and verifying any committed cost sharing.
3. The Subrecipient must formally commit to participating in the project, prior to proposal submission. Refer to **Appendix B - Subrecipient Commitment Form**.
4. Additional elements that may be required by UPR's sponsor.

The subrecipient's proposed costs must be separated from UPR's costs. When calculating UPR's budget, it is important to apply the F&A based on the sponsor's inclusion/exclusion criteria. While the federal government includes the first \$25,000 in its F&A base, other sponsors may have different criteria.

At the time of proposal review and submission, the AOR is responsible for the following:

1. Verify the subrecipients and PI/PD have not been debarred or suspended from receiving federal funds at [sam.gov](https://sam.gov).
2. Ensure to have a formal subrecipient commitment.
3. Review the subrecipient's scope of work to verify that a subaward is the appropriate vehicle to fund the work.
4. Review the subrecipient's budget and budget justification.
5. Review the proposal for compliance with UPR and sponsor policy.
6. Submit the full proposal to the sponsor for consideration.

All subawards, either from a UPR campus/unit to another campus/unit or to a third party, that exceed \$30,000 at any point during the life of the award must be reported by the prime awardee campus/unit to the federal government through FSRS.gov, in compliance with the Federal Funding Accountability and Transparency Act ([FFATA](https://www.fata.gov)).

#### **IV. Post-award**

Post-award administration begins when an award is accepted. There are multiple requirements and tasks as part of the post-award administration including opening federal and cost sharing accounts, grant implementation, financial and progress reporting, and closeout activities.

Post-award management of sponsored projects is a shared responsibility between the Principal Investigator/Project Director (PI/PD), the department head and the Office of Sponsored Program (OSP) leadership. The PI/PD has the primary responsibility of accomplishing the technical and programmatic objectives of the project, while complying with the financial and administrative policies and regulations associated with the award.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) establishes the requirements for award administration activities. Subpart D ([2 CFR 200.300-200.345](https://www.ecfr.gov/current/title-2/chapter-I/subchapter-B/part-200/subpart-D)) sets forth the standards that an organization must meet in order to be a recipient of federal assistance awards. However, these principles do not supersede program's specific and statutory regulations.

Regulations applicable to contracts are contained in the Federal Acquisition Regulation (FAR) (<https://www.acquisition.gov/far/>).

For the University of Puerto Rico (UPR), cost principles are based on the following fundamental premises that:

- The university assumes responsibility for administering federal funds in a manner **consistent** with underlying agreements, program objectives, and the award's terms and conditions.
- The university accounting practices must be consistent with these cost principles, support the accumulation of costs, and must provide adequate documentation to support charges to the sponsored project.
- The university may not earn or keep any profit resulting from federal financial assistance, unless explicitly authorized by the award's terms and conditions (See also [2 CFR 200.307-Program income](#)).

The main post-award functions include:

- Opening federal and cost sharing accounts.
- Monitoring expenses for allowability and compliance with university and sponsor's regulations, policies, and terms and conditions.
- Procurement of equipment, materials, and services.
- Reporting and invoicing of project expenses.
- Drawdown of funds and posting to the corresponding accounts.
- Monitoring spending against budget.
- Completing the required programmatic and financial reports.
- Close out of the award.

#### **A. Award Terms and Conditions**

The terms and conditions of an award cover a variety of issues such as patents, copyrights, termination, audits, indemnifications, insurance, period of performance, cost principles, payments schedules, and financial reporting. The notice of the grant award document must be reviewed to ascertain its terms and conditions. It provides the requirements for both financial and nonfinancial management.

The terms and conditions of an award provide guidance on items such as required prior approvals, award restrictions, and reporting. OSP must track award terms and conditions to ensure compliance.

## **B. Segregation of Duties**

All UPR employees are responsible for performing their duties in accordance with proper internal controls as established in its policies and regulations. Segregation of duties is a key internal control intended to minimize the occurrence of errors or fraud by ensuring that no employee has the ability to both perpetrate and conceal errors or fraud in the normal course of their duties.

The OSP managers and all individuals responsible for the assignment and supervision of employees that carry out fiscal activities, budget, and implementation of internal controls must ensure there is adequate segregation of duties within their areas of responsibility. An individual should not be in a position to initiate, approve, and review the same action. In general, the approval function, the accounting/reconciling function, and the asset custody function should be separated among employees. When these functions cannot be separated, a detailed supervisory review of related activities is required as a compensating control activity.

No one person should have responsibility to complete two or more of these major functions. There is a greater need for proper segregation of duties for assets that are more negotiable (i.e., cash funds, negotiable checks and inventories). If a person performs more than one of these major functions, mitigating controls should be put in place. Without additional mitigating controls in place, there is the potential to carry out and conceal errors and/or irregularities in the course of performing day-to-day activities.

The managerial personnel are responsible for establishing and documenting the roles and responsibilities of the staff, that guarantees separation of duties and/or mitigating controls.

## **C. Financial Management**

The federal government has extensive oversight for financial and regulatory compliance. Government and private donors insist upon assurance that funds are appropriately spent and that the work is completed at the highest standards. In addition, compliance with a diversity of laws, assurance that charges to sponsored projects are allowable and allocable, and documentation of cost sharing and program income are critical issues in good administration.

The general financial management duties which must be assumed by the University in administration of contract and grant awards include:

- Approved award budget setup.
- Expenditure of funds consistent with the approved budget and in compliance with sponsor's and UPR regulations, policies, and terms and conditions.
- Execution of subcontracts in accordance with sponsor's and University regulations, policies, and terms and conditions.
- Recording of expenditures in the appropriate account in a timely manner to enable accurate, current, and complete disclosure of financial results.
- Preparation and submission in a timely manner of all required interim and final financial reports, including cost sharing.
- Avoidance of cost overruns and unallowable cost-transfers.
- Timely invoicing and follow-up for prompt reimbursement.
- Completion of project closeout.

#### **D. Budget Management and Rebudgeting**

##### *1. Creation of New Accounts*

Upon acceptance of an award or approval of a contract, the OSP will set up the approved budget into the UPR financial system. It is strongly recommended to have the accounts structure before incurring expenses to prevent unnecessary cost transfers. In order to accomplish this properly, the following steps must be taken:

- i. OSP must collect an award letter, contract or equivalent. Legal documents such as: award notification letter, official business letter, award terms and conditions, fully executed contract or any similar document that makes the agreement legal. This document must contain the following information, clearly stated: when the project begins and ends, amount approved, and any special conditions or restrictions.
- ii. Copy of approved proposal in electronic format (preferably PDF file). Very frequently, the project approved is a revised version of the proposal originally submitted. A copy of the final version and approved budget distribution are required.
- iii. Each campus/unit must establish a written process to officially request the OSP the creation of the account.

- iv. The OSP will distribute the funds using the approved budget as a guideline into the existing UPR expense codes. On occasions, an approved expense category may not have an exact equivalent within the UPR financial system. Thus, the funds must be distributed among other codes that are the most similar, object codes creation should be a last resort.
- v. Cost sharing accounts must be created consistent with UPR policies and regulations.
- vi. OSP will provide a written summary that will contain the newly assigned account number and distribution: The PI/PD must use this number to refer to any budget and accounting issue related to the project.

## 2. *Budget Management*

- i. The PI/PD is the sole responsible for signing off (approve) payments to be made from the grant. Project-related expenses should be charged directly to the grant account.
- ii. The OSP will inform the PI/PD, in writing, which method will be used to authorize actions regarding a project. If a Co-PI or administrative assistant will also be carrying out some of these functions, the PI/PD must authorize him/her for the particular action.
- iii. Debit card with Visa logo request: If the PI/PD considers a debit Visa card necessary for the execution of the project, he/she will notify the OSP. The OSP should guide the PI/PD on the steps needed to acquire one. (For the procedure refer to **Appendix C - Finance Circular No. 20-05, Office of Finance Central Administration, September 25, 2019**).

## 3. *Rebudgeting*

Rebudgeting is the transfer of funds from one budget category to another. after a grant or contract has been awarded, the PI/PD may determine that the approved budget allocations are not consistent with actual project needs. She/he may request the formal reallocation of funds from one spending category to another that better reflects the project requirements. To the extent possible, budget revisions should reflect all necessary reallocations of resources that are foreseen through the end of the budget period. Some budget revisions require prior approval by the sponsoring agency ([2 CFR 200.308](#)). The steps for rebudgeting are:

- i. PI/PD must request a rebudget through the method stipulated by the OSP. At a minimum this request should be in writing through an email.
- ii. OSP will review the request, paying careful attention to the award terms and conditions and agency policies to determine whether or not prior approval is required. Changes in the scope of work will require prior approval.
- iii. If prior approval is required, the PI/PD in coordination with the OSP will draft and submit the prior approval request to the agency.
- iv. The budget transfer will be performed only when all compliance related matters are elucidated.

#### *4. Prior Approval*

Sponsor's prior approval ([2 CFR 200.407](#)) is required for certain actions as specified in the [2 CFR 200.308](#), and terms and conditions of the award, including but not limited to scope and budget revisions; changes in status of key personnel, and other specified actions in the appropriate policy statement of the grantor. Each sponsor policy statement might differ slightly on what actions require prior approval. A very useful tool to clarify prior approval requirements is the Prior Approval Matrix from the Federal Demonstration Partnership ([Prior Approval Matrix-November 12, 2020](#)<sup>13</sup>). Additional caution should be given to changes either in budget, effort or substantive change that will represent a change in the approved scope of work.

Items or services in an approved budget do not require further approval from the sponsor.

#### **E. Period of Performance (Use of Funds)**

Period of Performance is defined as the start and end date for the execution of a particular project. This period is stated in the notification of award and/or contract. Only costs incurred and obligated during the performance period stipulated in the Notice of Award are allowable. Funds are obligated when a purchase order exists and/or a contractual obligation to provide goods or services is established ([2 CFR 200.309](#))

Special consideration should be given to purchase transactions near the end date of the award. According to [2 CFR 200.314](#), materials and supplies

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<sup>13</sup> [https://www.nsf.gov/bfa/dias/policy/fedrtc/appendix\\_a.pdf](https://www.nsf.gov/bfa/dias/policy/fedrtc/appendix_a.pdf)



unused inventory above \$5,000 should be refunded to the agency. [Circular ORCI 2016-2017-01](#)<sup>14</sup> establishes the guidelines for purchases near the expiration date of an award.

## F. Personnel Compensation

As a recipient of sponsored funds, the UPR must assure Federal and other sponsors that the assignment of effort and associated salary and fringe benefit costs to the projects they sponsor is reasonable in relationship to the work performed, and that commitments to sponsors have been met. The federal regulation, 2 CFR § 200.430 Compensation - personal services ([2 CFR §200.430](#)), contains the regulatory requirements for internal controls over certifying time expended on sponsored projects. This section requires that any individual who performed work on a federally sponsored project, including federally funded subawards received from other institutions, industry, or State, must certify that the effort, paid or committed, is reasonable. In addition to the requirements set forth in the federal regulation the University has established policies on this matter (Refer to [Certification Number 14 , 2011-2012](#)<sup>[OBJ]</sup> and [Certification Number 15, 2011-2012](#)<sup>[OBJ]</sup> of the Board of Trustees and its amendments: [Certification Number 49, 2012-2013](#)<sup>[OBJ]</sup> and [Certification Number 21, 2018-2019](#)<sup>[OBJ]</sup>).

To understand and be able to implement UPR's policies and procedures regarding personnel compensation is necessary to understand and familiarize with the following concepts:

- *Institutional Base Salary (IBS)* - For Faculty Personnel dedicated to academic instruction, who also conduct research, creative activity, teaching improvement, training, and/or services, is defined to be their annual permanent salary as it appears in the employment contract of the employee or subsequent letters of notice of salary increase/decrease plus any supplemental compensation of one full year or more. This annual permanent salary constitutes the base pay for the individual's total professional effort (100%), independent if his/her time is devoted to teaching, research, administration, creative activity, service, clinical activities, other activities and/or a combination of these, and in conformity with the provisions contained in Articles 49 and 66 of the General Rules of the University of Puerto Rico.
- *Total Professional Effort (TPE)* - All professional activities performed by a faculty or staff member, regardless of how or whether the individual receives compensation.
- *Faculty* – University employee with an academic appointment.

<sup>14</sup>

<https://www.upr.edu/wp-content/uploads/2017/04/Serial-ORCI-2016-2017-02-Period-for-Adquisitions-in-Federal-Projects-ENGLISH.pdf>

- *Professional Personnel* – Employees that require specialized academic preparation, and in some cases, a license or permit, to practice their profession.
- *Non-Professional Personnel* – Employees that do not require specialized academic preparation to carry out their job functions, acquiring the necessary training and experience through their service.
- *Effort* – Effort is expressed as a percentage of the total amount (100%) of professional effort expended on university activities for which an institutional base salary is paid.
- *Cost Sharing* – Occurs when a portion of the total costs of a sponsored project are borne by the University, not the sponsor. Cost sharing/matching requirements may be in the form of an actual cash expenditure of funds, or may be an “in-kind” match, which is the value of non-cash contributions to the project (for example, a faculty or personnel percent effort commitment to a sponsored project/program).
- *Extra Service Pay (Additional Compensation)* - represents overload compensation, subject to institutional compensation policies for services above and beyond IBS.

As established in 2 CFR 200.430, compensation for personal services covers all amounts paid currently or accrued by the institution for services of employees rendered during the period of performance under sponsored agreements. Such amounts include salaries, wages, and fringe benefits. These costs are allowable to the extent that the total compensation to individual employees conforms to the established policies of the institution, consistently applied, and provided that the charges for work performed directly on sponsored agreements and for other work allocable as F&A costs are determined and supported as provided below. Charges to sponsored agreements may include reasonable amounts for activities contributing and intimately related to work under the agreements, such as delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences. **Incidental work (that is in excess of normal for the individual), for which supplemental compensation is paid by an institution under institutional policy, need not to be included in the payroll distribution systems, provided such work and compensation are separately identified and documented in the financial management system of the institution.** In the case of the UPR, the latter specifically applies or refers to Time and Effort, mandatorily generated in all grants and contracts (cost-reimbursement type included) as part of Time and Effort Reporting System.

1. *Time and Effort Reporting (Standards for Documentation of Personnel Expenses)*

All salaries and wages charged to Federal awards must be supported by a system of internal controls that provides reasonable assurance that the personnel costs incurred are accurate, allowable, and properly allocated. Generally, this system of internal controls should ensure that:

- The total compensation paid to individual employees is reasonable according to the work performed on federal and sponsored projects.
- The compensation is made in accordance with the established policies of the organization.
- That the compensation policies are consistently applied to both government and non-government activities.
- The system must be able to adequately identify whether or not the work performed is considered a direct or an indirect cost, consistent with the organization's established policies and [2 CFR §200.430](#).

The UPR's effort reporting policies and procedures are the means by which the effort reporting and effort certification responsibilities are fulfilled. This overarching set of policies and procedures applies to all individuals whose salaries are charged to sponsored projects (in whole or in part), whose effort has been committed as part of cost sharing/matching funding, and whose responsibilities involve certifying the effort of other individuals. Non-compliance may result in financial penalties and inability to be recipient of federal funds.

In compliance with 2 CFR 200, the UPR is using payroll estimates (T-002 and Labor Distribution), before the fact, and Time and Effort Reporting, after the fact, to fulfill the requirements of the Standards and Documentation of Personnel Expenses established in 2 CFR § 200.430. Total salaries charged to Federal awards (including extra service pay) are subject to the Standards of Documentation of Personnel Expenses as described by [2 CFR §200.430\(h\)\(4\)\(i\)](#), and must be based on records that accurately reflect the work performed. The University's T&E reporting system provided this information in its drafts if the proper entries were logged in the Labor Distribution system.

The payment estimates for effort under sponsored agreements will be based on approved levels of commitment in grant agreements and a forecast of the individual's total University workload in relation to the individual's defined institutional base salary. These payroll estimates will be collected and routed for approval using the LD-T002 form and will be entered in the payroll and Labor Distribution systems (see [Manual del](#)

[Usuario - HRMS: Labor Distribution](#)<sup>15</sup>). Subsequent changes that are considered significant such as the addition or reduction of sponsored agreements to an individual's workload are made to reflect the best estimate of expected actual results.

Consideration for maximum effort should be reasonably estimated. For example, any person who has administrative duties, instructional requirements, or office duties may not be charged 100% to sponsored projects as they must have some measurable amount of effort to account for these activities. The corresponding percent effort commitments for key personnel should:

- a. Be consistent with the description of the individuals' roles on the project and be reasonable given the nature and complexity of the project.
- b. Reconcile with the individuals' other current and pending responsibilities, including instruction, administration, sponsored projects, or other activities, and
- c. Not be estimated beyond what is reasonably required to accomplish the proposed work and be consistently reflected on the corresponding institutional authorization documentation of a proposal.

Committed cost sharing (mandatory or voluntary) effort must be accurately documented and reported in the personnel's Effort Report (See [Certification Number 16, 2011-2012](#)<sup>16</sup> of the Board of Trustees as amended by [Certification Number 49, 2012-2013](#)<sup>17</sup>).

At the end of each semester or semi-annual period, time and effort report drafts are generated in the Time & Effort Reporting System (See [TERS Manual](#)<sup>17</sup>) depicting the initial effort expended for an individual having charged labor and/or cost shared on a sponsored project for the period. The effort profile presented is based on the payroll charges related to the individual's institutional base salary for the period and should represent by account 100% of the individual's sponsored and non-sponsored activities.

Each report is reviewed, when appropriate changes are incorporated to the official accounting records to reflect a reasonable estimate of the actual effort expended in relation to the charges for the period. After review, the report is released to the employee who will verify, request corrections if needed and approved by the employee. In the case an employee is not available, an appropriate official having suitable means of verification

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<sup>15</sup> <https://www.upr.edu/wp-content/uploads/2017/03/Manual-de-Usuario-LD-6-de-marzo-de-2017.pdf>

<sup>16</sup> [http://graduados.uprrp.edu/images/pdf/Cert\\_016\\_2011\\_12\\_JS\\_EN.pdf](http://graduados.uprrp.edu/images/pdf/Cert_016_2011_12_JS_EN.pdf)

<sup>17</sup> [https://www.upr.edu/wp-content/uploads/2017/03/Time-\\_-Effort-Reporting-Electronic-System-Manual.pdf](https://www.upr.edu/wp-content/uploads/2017/03/Time-_-Effort-Reporting-Electronic-System-Manual.pdf)

should certify the effort in lieu of the named individual. Before a time and effort report is certified, labor cost transfers should be made to ensure payroll charged is aligned with the effort to be certified. The following procedures are provided for accomplishing the charging, reporting and certification of effort for faculty, professional and non-professional employees.

#### **A. Required Personnel, Frequency and Process**

- 1. Faculty and professional personnel** charged and/or cost shared to federally sponsored projects, including research, training or any other sponsored agreement.
  - i. Initially, the individual's institutional base salary (IBS) is defined to be their annual permanent salary as it appears in the employment contract of the employee or subsequent letters of notice of salary increase/decrease plus any supplemental compensation. When there is a change in the IBS, supplemental pay, and/or account distribution, a Human Resources LD-T002 Personnel Transaction Form is required to be completed by the department initiating the change that includes the base salary, status of the individual (part/full time) and the account to charge where a subsequent change is made. This document is the vehicle recognized by the Payroll Department to pay an individual and charge final cost objectives. Each campus establishes the amount that will be charged to applicable projects prospectively based on estimates to reflect devoted effort. The LD form is required to be completed within a reasonable time (no more than 60 days) from the beginning of the academic year, when an individual is newly appointed and/or when significant changes, such as the addition or reduction of sponsored agreements, to reflect a reasonable estimate of expected effort actual results. Estimates are based on factors of an individual's effort commitment to sponsored agreements and the forecast of the individual's total University workload in relation to the individual's defined institutional base salary. Compensation that is non-effort related may not be included in the institutional base salary for determining estimates chargeable to federally sponsored awards unless prior approval has been obtained from the sponsor. According to §200.430 Compensation—personal services, in unusual cases

where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the faculty member is in addition to his/her regular responsibilities, any charges for such work representing additional compensation (extra service pay) above IBS are allowable provided that such consulting arrangements are specifically provided for in the Federal award or approved in writing by the Federal awarding agency. However, it is not recommended to enter in work overload while working in sponsored research project to allow available time to perform the required duties. Work overload may be allowed as extra service pay making sure that sponsored programs duties are not affected. For further and more specifics on this process refer to the [Manual del Usuario - HRMS: Labor Distribution](#)<sup>18</sup>.

- ii. Effort Reports – Must be generated every six months for all employees and a summer T&E if applicable for employees on a 9 or 10 months schedule. The University's Effort Reporting Central Administrator will generate the reports under the Time & Effort Reporting System (Refer to [Time & Effort Reporting Electronic System Manual](#)<sup>19</sup> for details) using payroll charged percentages for the period to depict the actual effort expended. The T&E report must represent 100% of an individual's effort profile (sponsored and non-sponsored activities across all campuses) based on labor charges related to the institutional base salary and/or commitments by funding source for the period reviewed. The distribution of time and effort dedicated to distinct projects and programs for sponsored and non-sponsored activities will be on a percentage basis and must sum to 100%. The reports will be made available to the campuses reviewers for approval and update reports, if necessary, by entering adjustments into the LD system. The certifier should review the T&E report to ensure it represents the effort devoted to each activity for the period. Before certifying a T&E report, labor cost transfers must be finalized to appropriately align payroll charges with the actual effort expended. T&E reports should be completed, that is certified, and

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<sup>18</sup> <https://www.upr.edu/wp-content/uploads/2017/03/Manual-de-Usuario-LD-6-de-marzo-de-2017.pdf>

<sup>19</sup> [https://www.upr.edu/wp-content/uploads/2017/03/Time-\\_-Effort-Reporting-Electronic-System-Manual.pdf](https://www.upr.edu/wp-content/uploads/2017/03/Time-_-Effort-Reporting-Electronic-System-Manual.pdf)

applicable labor cost transfers executed within the first sixty (60) days after the forms are available. If the Certification deadline is a weekend day or a Holiday, the deadline will be the next working day.

1. The T&E report will be electronically certified by the covered named individual or an official(s) having suitable means of verification that is personally familiar with the activities and work done by the covered named individual for the period reported, and that possess sufficient technical knowledge that they can identify the covered named individual's effort in each project or program.
2. The directors of departments, offices and/or programs and deans, each one at their respective level of responsibility, will ensure that the personnel under their supervision submit timely reports; reports are properly completed and signed by officials having suitable means of verification; and will apply disciplinary measures, consistent with the situation, when there is a lack of compliance.
3. Once certified, the TERS will maintain the copy of the T&E certification. The Finance Office and/or Sponsored Program Office at each campus are encouraged to maintain an offline copy for their project(s) records. Additionally, the Finance Office at each campus will maintain control of all financial accounts of federal funds under their jurisdiction.

2. **Non-professional personnel** will use time sheets to record actual time on projects and submit monthly for payroll and charge to university activities. Time sheets are maintained at each Human Resources campus office. However, where time sheets are not available or do not identify/distribute time spent on specific federal projects, a T&E report will be required for certification.

**B. Special Rules for Personnel that Receive Funds from Multiple Awards from More than One University of Puerto Rico Campus**

The University of Puerto Rico has faculty and professional personnel that may receive federal salary support from sponsored agreements located at campuses other than his/her home campus

or from multi-campus proposals. For these cases, the following additional rules apply:

1. **The initiating campus department (Supra-Campus).** Initiating a change for an individual outside of their campus requires an authorization from the Chancellor's Office of the home campus department of the individual to determine if the individual can devote effort and be paid from the sponsored agreement as release time of the individual academic period effort or as summer salary. For more information regarding this process refer to [Manual del Usuario - HRMS: Labor Distribution](#)<sup>20</sup> and [Instructions for Supra Campus Transactions](#)<sup>21</sup>.
2. **The home campus department of the covered named individual.** The home campus department must review to ensure the distribution completed by the initiating campus is completed appropriately and accounts for 100% of the individual's distribution. Once approved in the section entitled "Approval", the home campus department should complete LD-T002- Personnel Transaction Form to reduce the covered named individual's pay to the appropriate account(s) to offset the requested campus department's sponsored project. The LD-T002 completed by the home campus department is sent to the home campus Finance or Sponsored Research Office to enter the corresponding salary distribution.
3. **Time and Effort Report.** The time and effort report is under an electronic system. This report will use a required two-step verification process described below. Please refer to the [Time & Effort Reporting Electronic System Manual](#)<sup>22</sup> for instructions on how to approve Time & Effort reporting.
  1. Reviewer approval – All UPR units must have a reviewer. This person should ensure that the charges presented in the T&E report drafts are

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<sup>20</sup> <https://www.upr.edu/wp-content/uploads/2017/03/Manual-de-Usuario-LD-6-de-marzo-de-2017.pdf>

<sup>21</sup> <https://www.cayey.upr.edu/wp-content/uploads/sites/10/2019/03/tareas-supracampus-servicios-realizados-por-empleados-en-otras-unidades-y-recintos-tareas-supra-campus-directrices-a-las-orh-1.pdf>

<sup>22</sup> [https://www.upr.edu/wp-content/uploads/2017/03/Time-\\_-Effort-Reporting-Electronic-System-Manual.pdf](https://www.upr.edu/wp-content/uploads/2017/03/Time-_-Effort-Reporting-Electronic-System-Manual.pdf)



correct and in accordance with the budget estimates and that the information presented is correct. If errors are found the reviewer should procure to correct those errors by generating the corresponding labor distribution adjustments. Once the reviewer deems the report correct, he/she should approve it. The employees cannot approve their reports unless they have the approval of the reviewer.

2. Employee Approval – The covered name individual should certify her/his own T&E report. It is important that the employee takes the time to review the form and verify if the charges presented reflect the reality. If the employee detects errors in a report, he/she should reject the report and communicate to the reviewer the changes required. If the employee understands that the report reasonably reflects how effort was spent, then the T&E report should be approved.

### **C. Special Considerations for Incidental Payments, Additional Compensations and Summer Salaries**

#### **1. Incidental Payments and Additional Compensations**

Incidental payments or additional compensations for regular University employees (faculty, professional and non-faculty) from federal funds (pass-through funds included), federal requirements (include in 2 CFR 200.430) establish the criteria for compensation of faculty members during and outside the academic year. According to these referenced documents, intra-university consulting is assumed undertaken by the University, and requires no compensation in addition to the base salary. This applies to faculty members who function as consultants or contribute to sponsored agreements conducted by another faculty member of the same institution (this includes all UPR campuses and units). **However, in some special cases where consultation is across departmental lines or involves a separate or remote activity, and the work performed by the faculty member is in addition to his/her regular responsibilities or**

**departmental workload, any charges for such work representing additional compensation above IBS are allowable provided that such consulting arrangements are specifically provided for in the sponsored agreement or approved in writing by the sponsoring agency.** Federal award funds may not be used to augment the total salary or salary rate of faculty members during the period covered by the term of faculty appointment or to reimburse faculty members for consulting or other time in addition to a regular full-time organizational salary covering the same general period of employment. Therefore, compensation above the full-time regular salary, whether the job performed is incidental or not, cannot be paid using a grant's direct funds nor institutional matching funds committed to the grant, unless such payment is authorized in writing by a contracts & agreements officer of the concerned agency.

In addition, the salaries of administrative or clerical personnel are covered by the indirect cost recovery (also known as Facilities and Administrative Costs (F&A) for Colleges and Universities). Salaries for administrative and clerical personnel may only be budgeted as direct costs if the actual activity will be incurred in unlike circumstances that are not the same as the actual activities normally included in the institution's F&A cost pool. The salaries of clerical and administrative staff should normally be treated as F&A costs. However, direct charging of these costs may be appropriate where:

1. A **major project or activity** explicitly budgets for administrative or clerical services and individuals involved can be specifically identified with the project or activity, and/or,
2. The **actual activity must be incurred in unlike circumstances** that are not the same as the actual activities normally included in the Institution's F&A cost pool, or, if the same, the indirect activity costs are immaterial in amount.

**"Major project"** is defined as a project that requires an extensive amount of administrative or clerical support,

which is significantly greater than the routine level of such services provided by academic departments. Some examples ([2 CFR Appendix III to Part 200 - Indirect \(F&A\) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education \(IHEs\)](#)) of major projects where: direct charging of administrative or clerical staff salaries. If these costs are to be budgeted directly, they must be clearly identified and described in the budget justification.

## **2. Professorate with Administrative Duties Doing Sponsored Research During the Summer Period**

[Certification Number 14, 2011-2012](#) (As amended by [Certifications Number 49, 2012-2013](#) and [Number 21, 2018-2019](#)) establishes the UPR's definition of Institutional Base Salary (IBS) and Total Professional Effort (TPE) for sponsored projects and other institutional activities. For full time employees 100% TPE equates to the totality of university compensated effort. Furthermore, [Certification Number 15, 2011-2012](#) (As amended by [Certification Number 49, 2012-2013](#)) states that the TPE corresponds to the effort required to fulfill the employee's obligations for which the employee is paid by the UPR system using their IBS. When a professorate accepts an administrative position the TPE is not limited to the academic year but is defined by the calendar year. The percentage effort dedicated to administration may vary during the fall, spring and summer periods. For consistency, as required by 2 CFR 200, Certifications 14 and 15 (2011-2012) and its amendments, the methodology used to compute percent effort during the summer period is identical to the methodology used during the academic year and must account for all activities as described in the employee's TPE. Thus, compensations totaling the IBS are proportionate to the effort devoted in the TPE, which can include research, teaching and administrative work, among others; and must equate to

Administrative faculty may dedicate time to research together with their administrative responsibilities, as part of the effort maintained to academic duties within

their administrative appointment. In this spirit, the University of Puerto Rico recognizes that the level of effort for administrative duties of faculty members such as Deans, Associate Deans, Department Directors, Associate Directors and similar administrative positions is reduced significantly during the summer period. Therefore, the effort requirements for such appointments should be adjusted to allow for research efforts. The administrative faculty should adjust the effort commitment to administrative duties during the summer months in accordance with their immediate supervisor to allow the fulfillment of his/her administrative obligations. However, the effort dedicated to administrative duties in no case should be less than the proportion of the remuneration that corresponds for the administrative appointment.

The calculation of the effort devoted to administrative responsibilities should be done as explained in the following example: Professor Y is the Chairperson of Chemistry Department at a UPR campus with nine (9) months appointment. His IBS is \$96,000, of which \$24,000 corresponds to administrative duties and \$72,000 corresponds to his academic appointment. Therefore, the share of effort available for research or other academic duties during the summer period should not exceed 80% as demonstrated in Table 1.

**Table 1. Percent Effort during Summer Period for Faculty Member with Administrative Position in a Nine (9) Month A Y Campus**

ESTIMATES	CALCULATION	AMOUNT FOR THE PERIOD
Salary per Month Academic (SPM1) = IBS/9	\$72,000/9	\$8,000
Salary per Month Administrative (SPM2) = IBS/12	\$24,000/12	\$2,000
Salary per Month (SPM)	\$8,000-\$2,000	\$10,000
<b>SUMMER EFFORT PROPORTION</b>		
Administrative duties	\$2,000/\$10,000	20%
Available for research or other duties		80%
	<b>Total</b>	100%

### **3. Maximum Compensation Allowed During Summer Period**

The federal government has established strict requirements regarding summer salaries for faculty working on sponsored projects by their donor agencies (NSF, NIH, NASA, etc.).

Specifically, if the **maximum compensation allowed** (3 person-months for a 9-month appointment and 2 person-months for a 10-month appointment) is paid by sponsored projects, the rule requires that, during these months, 100% of the faculty effort be devoted only to activities covered by the project. Under these circumstances, it is not allowed to take vacations, perform administrative work, or travel to conferences that are not strictly related to the sponsored projects salary. If a faculty member plans to carry out activities not related to these projects, he should not receive the maximum compensation allowed, leaving time available for other activities such as vacations, trips, or administrative tasks.

A person-month (1PM) represents the effort of a facultative during a month of work. For this purpose, a month is established as 30 calendar days. This estimate is in accordance with federal guidelines, such as those established by the National Institutes of Health ([http://grants.nih.gov/grants/policy/person\\_months\\_faqs.htm#1040](http://grants.nih.gov/grants/policy/person_months_faqs.htm#1040)), which are summarized below.

Academic Year (AY)	9 months	39 weeks	273 days
Summer Term (SM)	3 months	13 weeks	90 days
Calendar Year (CY)	12 months	52 weeks	365 days

Institutional policies define the summer period as the period between the last day of classes in the second semester (*Spring*) and the first day of classes in the first semester (*Fall*). Only 3 full ninths (3 months equivalent to 90 calendar days) must be approved if the academic calendar of the unit allows it. If this is not the case, 3 complete ninths cannot be approved and participation in projects must be adjusted to the time available.

In those cases where a researcher works on more than one project in the summer period, it is not necessary to demarcate each project in a different execution period. A continuous period of execution may be established that includes all projects, always considering that this total period includes the time needed for each project. In the event that the period of execution of the projects is going to be interrupted to carry out another activity not related to them such as trips, vacations, etc., the execution period will be interrupted leaving out of that execution period the

time required for the activity not related to the projects.

Finally, the hours metric should not be used to define the execution period since this metric does not conform to the reality of the research work. Under **no** circumstances can execution periods be compressed using as a basis the number of hours that are proposed to work on a project.

Here are several examples:

#### Example 1:

Professor Juan del Pueblo, who has a SBI of \$75,000 and a 9-month appointment, will work .75PM for project K and .25PM for project L.

PROJECT	PERIOD .75PM + .25PM 1PM = 30 DAYS	% EFFORT	PAYMENT CALCULATION
K	16/MAY/15 - 14/JUN/15	75%	.75 x \$8,333 = \$6,250
L	16/MAY/15 - 14/JUN/15	25%	.25 x \$8,333 = \$2,083

#### Example 2:

Professor Doe has a 9-month appointment and a SBI of \$75,000. During the summer period he will work 1PM on project R and 1PM on project Q, for a total of 2PM. From July 1 to July 10, professor Doe will participate in a conference not related to summer projects and will take several days off with his family.

PROJECT	PERIOD 1PM + 1PM 2PM = 60 DAYS	% EFFORT	PAYMENT CALCULATION
R	16/MAY/15 - 30/JUN/15 (46) 11/JUL/15 - 24/JUL/15 (14)	50%	1 x \$8,333 = \$8,333
Q	16/MAY/15-30/JUN/15 (46) 11/JUL/15-24/JUL/15 (14)	50%	1 x \$8,333 = \$8,333

## G. Cost Transfers

The UPR must ensure to sponsors that the costs and charges are accurately made and conform to all applicable institutional and sponsor's regulations, policies, and terms and conditions of the award. A cost transfer is the shift of expense(s) between two different institutional financial system accounts via a Journal Entry (JE), provided that it meets the rules for allowability as established in 2 CFR 200.403.

Cost transfers should not occur frequently. A pattern of cost transfers may be indicative of poor post-award management practices. Furthermore, if cost transfers are not addressed timely and efficiently, these could lead to significant

cost disallowances, diminished reimbursements from the sponsors, and an additional load of fiscal responsibilities for the university.

*“Recipients must maintain documentation of cost transfers, pursuant to 45 CFR Parts 75.361 and 75.364, and must make it available for audit or other review (See Record retention and access). The recipient should have systems in place to detect such errors within a reasonable time frame; untimely discovery of errors could be an indication of poor internal controls. Frequent errors in recording costs may indicate the need for accounting system improvements, enhanced internal controls, or both. If such errors occur, recipients are encouraged to evaluate the need for improvements and to make whatever improvements are deemed necessary to prevent recurrence. NIH also may require a recipient to take corrective action by imposing additional terms and conditions on an award(s).”*

It must be clarified that the term "transfer" is used in this context only because federal regulations use the expression "cost transfer". This does not mean that these journal entries are recorded on "transfer" object codes within the meaning of college and university accounting principles. Instead, these entries are normally recorded with the debit and credit on the same object codes as were used on the original transaction or the ultimate correct code.

The need for a cost transfer may arise for different reasons like clerical errors, allowability determinations, etc. The OSP is responsible for these actions. However, PI/PDs should be aware of those actions since they take primary responsibility, from the sponsor's perspective of all matters related with their projects.

#### *1. Allowable Cost Transfers*

All sponsored projects/programs cost transfers or reassignments of charges within accounts in the university's accounting system (journal entries), to adjust errors or for other reasons associated with regular financial operations, must be ALLOWABLE as established in 2 CFR 200. A retroactive cost transfer to any sponsored project account is ALLOWABLE only where there is direct benefit to the project account being charged, and justified under the following circumstances:

- i. The costs are allowable, allocable, reasonable, consistently treated, comply with the award's terms and conditions, and cost accounting principles.
- ii. The transfer is made in a timely manner.
- iii. The transfer is supported by source documentation and adequately justified.

- iv. The reallocation of salary and fringe benefits reflect the actual effort.
- v. Reallocation of shared services or direct costs that were previously charged elsewhere.
- vi. Correction of bookkeeping or clerical errors (i.e., obvious typographical error, use of an invalid code account number, etc.) in original charges.
- vii. Correction of an unallowable or inappropriate cost charged to a sponsored project account and is to be paid from university or other source of funds.
- viii. Transfer of authorized pre-award costs.
- ix. Reclassify over expenditures to voluntary cost sharing accounts.

## 2. *Unallowable Cost Transfers*

In a sponsored project with appropriate university and sponsor cost accounting principles, under the following circumstances cost transfers (journal entries) will be considered **UNALLOWABLE**:

- i. To meet deficiencies caused by cost overruns or other fund considerations (See 2 CFR 200.405);
- ii. To avoid restrictions imposed by law or by terms and conditions of the sponsored project, or for other reasons of convenience.
- iii. Do not reasonably benefit the project objectives.
- iv. Cost transfers based on funding considerations, i.e., cost transfers cannot be done to use up remaining funds (Unexpended balances).
- v. Circumventing award restrictions, avoiding a cost overrun by charging another unrelated project or transferring an item to/from an award that has been closed.
- vi. The intentional “parking” of charges on a sponsored project account pending transfer to another sponsored project account upon its funding (Parking of charges for any reason is considered a misuse of grant funds).
- vii. Charges transferred to any account, regardless of sponsor, if the charging account has not directly benefited from the charge.

## 3. *Timely*

Cost transfers must be prepared and submitted as soon as the need for a transfer is identified, within 90 days from which the transaction appears on the account. Cost transfers exceeding this time frame will require additional documentation with an explanation of why the



transfer request was not made on a timely basis. The justification must include the reason for the error, the reason for the failure to detect the error in a timely manner, and specific details of how the effort (personnel or for consultants), supplies or services, travel or equipment provided direct benefit to the grant to which the transfer is requested. The justification should be specific enough to provide a direct tie to program objectives.

The additional documentation requirements must involve project technical personnel (PI or project director) providing specific justification and a signed certification that the costs were necessary to conduct the work on the grant.

This information should be recorded in the official university records, and it should have enough detail to explain the situation without the need for a person to explain the circumstances that led to the error.

Refer to **Appendix D - Cost Transfer Procedure** for more information and guidance.

## H. Participant Support Costs

Participant support costs are defined as “direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects” (2 CFR 200.75). Participant support costs are allowable, when included in the approved budget and/or are approved by the agency (2 CFR 200.456). **Participant support costs are not a compensation and cannot be tied to time, effort or performance of work or services.**

Participants may include students, national scholars, and scientists from other institutions, representatives from the private sector, agency personnel, teachers, and others who attend and participate in conferences, workshops, or training activities. Participant support costs **do not include** honoraria for guest speakers, expenses for the PI, project staff or collaborators to attend project meetings, conferences, or seminars, salary payments to Research Assistants (RA), or payments made to research subjects as an incentive for recruitment or participation in a research project. UPR employees are not considered participants therefore costs incurred for UPR employees do not qualify as participant support costs.

All costs that are reimbursed or paid on behalf of the participant must be incurred within the project period and be specifically allowed by the sponsoring agency. Participant support costs are budgeted in a separate line and must be accounted for separately, therefore the use of a separate account is encouraged. Funds provided for participant support may not be shifted for other

expense categories without prior approval (See 2 CFR 200.308(c)(5)). **Facilities & Administrative (F&A) costs may not be charged against Participant Support Costs. These costs are not computed as part of the indirect cost base.**

When a sponsored project includes participant support costs, the principal investigator and administrative support personnel are required to ensure compliance with the specific requirements as set forth by the sponsor. Evidence of attendance, tuition, subsistence, travel, materials, etc. paid to participants must be maintained within the project's records.

## **I. Allowability of Costs**

Allowability of costs are determined by 2 CFR 200.403, that establishes the principles to determine costs applicable to sponsored projects.

### *1. Allowable Costs*

Generally, costs are considered allowable under grants when they have the following features:

- The costs are necessary, reasonable and allocable to the grant program.
- The costs comply with the limitations of a grant agreement as well as other applicable federal and state laws and regulations.
- The costs are accounted for consistently and in accordance with generally accepted accounting principles.
- The costs have not been allocated to or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except when allowed by federal law or regulation.
- The costs are adequately documented; and the net of all applicable credits is applied.

Before incurring in an expenditure under sponsored projects it is necessary to perform the following tests:

#### **i. Reasonable (2 CFR 200.404)**

A cost is **reasonable** if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. To determine the reasonableness of a given cost, consideration must be given to:

- a. Whether the cost is recognized as **ordinary** and **necessary** for the operation of the institution or the proper and efficient performance of the sponsored project.
- b. The requirements imposed by such factors as: sound business practices; arm's-length bargaining; federal, state, local, tribal, and other laws and regulations; and terms and conditions of the federal award.
- c. Market prices for comparable goods or services for the **geographic area**.
- d. Whether the individuals concerned acted with **prudence** in the circumstances considering their responsibilities to the institution.
- e. Whether the institution significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost.

ii. **Allocable** (2 CFR 200.405)

A cost is *allocable* to a sponsored award or other cost objective if the goods/services involved are chargeable or **assignable** to that sponsored award or cost objective in accordance with the relative benefits received. A cost is allocable when:

- a. It is incurred specifically for the sponsored award.
- b. It benefits both the sponsored award and other work of the institution in proportions that can be approximated using reasonable methods.
- c. It is **necessary** to the overall operation of the institution and is deemed to be assignable in part to sponsored projects.

Any cost allocable to a particular sponsored award may not be charged to other sponsored awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the sponsored awards, or for other reasons. However, this prohibition would not preclude the institution from shifting costs that are allowable under two or more

sponsored awards in accordance with existing federal statutes, regulations, or the terms and conditions of the sponsored awards.

iii. **Treated Consistently** (2 CFR 200.403(d))

Similar costs cannot be treated as both direct and indirect costs. Like costs must be treated the same in like circumstances, regardless of the funding source.

iv. **Conform** (2 CFR 200.403(b))

Conform to any limitations or exclusions as contained in the terms and conditions of the award, including those in the cost principles varies by the type of activity, the type of recipient, and other characteristics of individual awards.

## 2. *Unallowable Costs*

Unallowable costs are defined as costs that cannot be charged as direct costs to a sponsored agreement or included in the university's F&A cost rate according to 2 CFR 200. Unallowable expenses or activities along with any directly associated costs must be appropriately identified on all documentation and in the accounting system. Unallowable costs are not eligible for reimbursement by the sponsor.

Costs that are identified as unallowable must be excluded from proposals for funding and billings to agencies for costs incurred. If the sponsor has already reimbursed the cost, it must be refunded to the sponsor, including interest in accordance with the federal agency regulations. Once unallowable cost is identified, it must be removed from the sponsored account and transferred to an unrestricted institutional account.

2 CFR 200, Subpart E-Cost Principles, includes a listing of costs that are unallowable either as a direct or indirect charge to federal grants and contracts. Unallowable costs include but are not limited to the following:

- i. **Advertising** costs are unallowable unless they are necessary to meet the requirements of the sponsored agreement (§200.421).

- ii. **Public Relations** costs are unallowable except for (1) costs specifically required by sponsored agreements, (2) cost of communicating with the public and press pertaining to specific accomplishments which result from performance of sponsored agreements or (3) costs of conducting communication and liaison necessary to keep the public informed on matters of public concern such as notices of awards, financial matters, etc. (§200.421).
- iii. **Advisory councils or committees'** costs are unallowable unless authorized by statute, the awarding agency or as an indirect cost where allocable to sponsored awards (§200.422).
- iv. **Alcoholic beverage** costs (§200.423)
- v. **Alumni activity** costs (§200.424)
- vi. **Bad debt** costs (§200.426)
- vii. **Commencement and convocation** costs (§200.429).
- viii. **Institution furnished automobile** costs for **personal use** (§200.431).
- ix. **Severance** costs incurred in excess of the institution's normal severance pay policy applicable to all persons employed at the institution upon termination of employment (§200.431).
- x. **Tuition** benefits for family members other than the employee (§200.431).
- xi. **Contingency provision** costs (§200.433).
- xii. **Contributions and donations** made (§200.434).
- xiii. **Defense and prosecution** of criminal and civil proceedings, claims appeals, and patent infringement (§200.435).
- xiv. **Entertainment** costs including amusement, diversion, and social activities and any costs directly associated with such costs are unallowable unless they are required for programmatic purposes and either in the approved budget or with prior written approval (§200.438).

- xv. **Fines and penalties** costs resulting from violations of, alleged violations of, or failure to comply with federal, state, local or foreign laws and regulations are unallowable unless specifically approved by a federal agency or with prior written approval (§200.441).
- xvi. **Fundraising** costs including financial campaigns, endowment drives, solicitation of gifts and similar expenses incurred to raise capital or obtain contributions (§200.442).
- xvii. Costs of **investment counsel and staff and similar expenses** incurred to enhance income from investments are unallowable except when associated with investments covering pension, self-insurance, or other funds which include federal participation allowed by 2 CFR Part 200 subpart E (§200.442).
- xviii. **Goods and services costs for personal use** are unallowable regardless of whether the cost is reported as taxable income (§200.445).
- xix. **Housing costs, housing allowances and personal living expenses** are only allowable as direct costs and must be approved in advance by the federal awarding agency (§200.445).
- xx. **Insurance** costs when reasonable and necessary are generally allowable. Insurance to protect against defects in the institution's materials or workmanship are unallowable. Losses which could have been covered by insurance are unallowable unless expressly allowed by the sponsor (§200.447).
- xxi. **Patent costs, copyrights** and related disclosures and filings are generally unallowable unless required by the federal award (§200.448).
- xxii. **Royalties** on a patent or copyright and related costs are allowable only if necessary for the proper performance of the federal award and if the federal government does not already have a license, the patent is valid and enforceable (§200.448).

- xxiii. **Interest** in borrowed capital, temporary use of endowment funds, or the use of an institution's own funds (§200.449).
- xxiv. **Lobbying** costs are unallowable unless specifically authorized by statute to be undertaken with funds from sponsored agreements (§200.450).
- xxv. **Losses** on other sponsored agreements or contracts (§200.451).
- xxvi. **Membership** costs in any civic, community organization, country club or social or dining club or organization are unallowable. Cost of memberships in organizations whose primary purpose is lobbying (§200.454).
- xxvii. **Participant support** costs as defined in 200.75 are allowable with the prior approval of the federal awarding agency (§200.456).
- xxviii. **Pre-award** costs are allowable only when deemed necessary for the performance for the scope of the federal award and only to the extent that they would have been allowable if incurred after the date of the federal award and only with written approval of the federal awarding agency (§200.458).
- xxix. **Recruiting** costs for help wanted advertising, special emoluments, fringe benefits and salary allowances incurred to attract professional personnel from other institutions that do not conform with the established practices of the institution (§200.463).
- xxx. **Relocation** costs related to fees and costs with acquiring a new home; loss on sale of former home; mortgage payments on a home being sold and income taxes related to relocation costs are unallowable. Allowable costs incurred where an employee resigns within 12 months after hire must be refunded or credited to the federal award (§200.464).
- xxxi. **Rental** costs under “sale and leaseback” arrangements and “less-than-arm's length” leases are only allowable up to the amount that would be allowed had the entity continued to own the property (§200.465).

- xxxii. **Selling and marketing** costs of products or services of the institution are unallowable except as a direct cost when approved by the awarding agency when necessary for the performance of the award (§200.467).
- xxxiii. **Student activity** costs are unallowable unless specifically provided in the sponsored agreements (§200.469).
- xxxiv. **Travel costs for dependents** are unallowable, except for travel of duration of six months or more with prior approval of the Federal agency (§200.474).
- xxxv. **Airfare travel costs in excess of the basic least expensive** unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would: require circuitous routing; require travel during unreasonable hours; excessively prolong travel; result in additional costs that would offset the transportation savings; or offer accommodations not reasonably adequate for the traveler's medical needs (the institution must justify and document these conditions on a case-by-case basis). (§200.474).
- xxxvi. **Rare books** (museum type books) with no value to sponsored agreements (2 CFR 200, Appendix III, B8(a)).

## **J. Expenditure Monitoring**

UPR and sponsors expect expenditures to be consistent with the approved project and budget. Sponsors may question or restrict expenditures that appear inconsistent with the project plan and budget. The PI/PD is responsible for overall management of the award and approving all expenditures. The PI/PD in coordination with the OSP should monitor sponsored accounts from the day the award becomes active until it is terminated in order to confirm the availability of project funds, allowability of charges and that expenditures are aligned with the project progress.

To ensure effective monitoring, the OSP should provide periodic financial reports, preferably quarterly, to PI/PDs in order to review financial transactions. This report should include registered expenses and budget obligations per budget line item. In addition to transactions reviews, the OSP and the PI/PD should monitor general expenditure levels as they relate to the execution period. Project expenditures should be proportional to project progress and deviations should be cause for evaluation and corrective actions.



## K. Award Related Goods and Services Expenditures

All purchasing and procurement at the UPR is managed in accordance with federal, state, sponsor, and UPR policies and regulations. **In instances where UPR policies differ from sponsor requirements, sponsor's requirements prevail if they are more restrictive.** Award related goods and services expenditures charged to sponsored projects must be reasonable, allowable and allocable to the project in accordance with the applicable cost principles ([2 CFR 200.403](#)).

There are several primary mechanisms for making purchases for sponsored programs: purchasing office, procurement cards, and petty cash. The following regulations apply when acquiring goods or services for sponsored projects:

- Purchasing Office – [Certification Number 30, 2008-2009](#) - Rules and regulations for acquisition of equipment, supplies and non-personal services at the University of Puerto Rico<sup>23</sup>
- Procurement Debit Cards with VISA logo – Circular No. 20-05, Office of Finance Central Administration, September 25, 2019 (For further information see **Appendix C**)<sup>24</sup>
- Petty Cash – Circular 17-05, Office of Finance and Accountability of the University of Puerto Rico, August 29, 2016<sup>25</sup>

The [Circular Serial ORCI 2016-02](#)<sup>26</sup> establishes the internal controls so that material and equipment acquisitions charged to federal awards comply with federal regulations ([2 CFR 200.313](#) and [200.314](#)). The control measures instituted in this circular limit the purchases to be performed 90 days before the closeout of a project.

## L. Travel Costs

Travel costs should be both reasonable and specific to the grant. If the travel costs are charged directly to the federal award, documentation must justify that the costs are reasonable and consistent with the UPR's established travel policy. Amounts budgeted must follow institutional, federal and sponsored

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<sup>23</sup> <https://www.upr.edu/wp-content/uploads/2017/04/Certification-30-2008-2009-UPR-Procurement-Manual-English.pdf>

<sup>24</sup> <https://research.rcm.upr.edu/wp-content/uploads/sites/10/2021/05/SOP-Tarjeta-Corporativa-ATH-VISA.pdf>

<sup>25</sup> <https://redi.upr.edu/bitstream/handle/11722/2318/CF%2017-05%20Procedimiento%20Funcionamiento%20Fondos%20Caja%20Menuda.pdf?sequence=1&isAllowed=y>

<sup>26</sup> <https://www.upr.edu/wp-content/uploads/2017/04/Serial-ORCI-2016-2017-02-Period-for-Adquisitions-in-Federal-Projects-ENGLISH.pdf>

agency travel policies. When these policies differ, budget preparation should follow the more restrictive policy item to ensure compliance with sponsor and local regulations. Foreign travel may have additional requirements depending on the sponsor. Applicable policies for travel costs:

- **Federal:** Travel costs ([2 CFR 200.474](#)); Fly America Act; Export Control (Refer to Compliance section for more information).
- **Sponsored projects:** There are specific rules for travel charged to sponsored projects. Before making your travel arrangements, verify your sponsor-specific guidelines, and your project-specific terms and conditions to ensure you remain in compliance.
- **Institutional:** UPR's policy for travel expenses details the norms and controls which apply to the authorization of any official travel within and outside of Puerto Rico, and the associated allowable expenditures during business travel. It is applicable to UPR employees, students who travel for UPR related activities, and to any other individuals who travel with university-administered funds. (See [Certification Number 65, 2020-2021](#) - UPR Travel Expenses Regulation <sup>27</sup>).

#### M. Prior Written Approval

Some changes to the award might require written prior approval ([2 CFR 200.407](#)) from the sponsor. Examples of actions that require prior approval are budgetary and personnel effort changes, carryover, change in scope, and no cost extensions. PI/PD and sponsored project administrators should be aware when prior approvals are required and whether they can be granted institutionally or whether agency approval is required ([Prior Approval Matrix-November 12, 2020](#)<sup>28</sup>).

Prior written approval is generally required for the following actions. However, it is important to verify specific agency policies and the Prior Approval Matrix described above to prevent redundancy:

- Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts**
  - Changes in principal investigator (PI), project leader, project partner, or scope of effort.
- Cost sharing or matching**
  - Use of unrecovered indirect costs, including indirect costs on cost sharing or matching.

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<sup>27</sup> <https://www.cayey.upr.edu/wp-content/uploads/sites/10/2021/04/reglamento-gastos-de-viaje-upr.pdf>

<sup>28</sup> [https://www.nsf.gov/bfa/dias/policy/fedrtc/appendix\\_a.pdf](https://www.nsf.gov/bfa/dias/policy/fedrtc/appendix_a.pdf)

- b. Use of current fair market value to determine the value of non-federal entity donations of services and property for the purposes of cost sharing or matching.
- c. Costs of the fair market value of equipment or other capital assets and fair rental charges for land when the federal award supports activities that require use of equipment, buildings or land.

iii. **Program income**

- a. Use of program income during the period of performance (additive method).

iv. **Revision of budget and program plans**

- a. Change in scope or the objective of the project or program.
- b. Change in PI/PD specified in the application or federal award.
- c. Disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project by the approved PI/PD.
- d. Inclusion, unless waived, of costs that require prior approval in accordance with 2 CFR 200, Subpart E- Cost Principles.
- e. Transfer of funds budgeted for participant support costs to other categories of expense.
- f. Subawarding, transferring or contracting out any work under a federal award. This provision does not apply to the acquisition of supplies, material, equipment or general-purpose services.
- g. Changes in the approved cost-sharing or matching provided by the non-federal entity.
- h. Need for additional federal funding to complete the project.
- i. Incur project costs 90 calendar days before the federal awarding agency makes the award.
- j. Incur project costs more than 90 calendar days **pre-award**.
- k. Initiate a one-time extension of the period of performance by up to 12 months (Waived).
- l. Subsequent no-cost extension or extension of more than 12 months.
- m. Carry forward of unexpended balances to subsequent funding periods (Waived except when Notice of Award indicates prior approval is required).
- n. Transfer amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa (Waived unless change in scope).
- o. Rebudgeting among direct cost categories for federal awards in which the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the approved budget (Waived

unless results in a change of scope; unless total cost share amount is reduced from what was approved in budget).

- p. Transfer of funds between construction and non-construction activities.

v. **Real property**

- a. Encumber real property acquired with federal funds.
- b. Transfer of title to the federal awarding agency or to a third party.
- c. Special arrangements and alterations costs incurred specifically for a federal award.

vi. **Equipment**

- a. Encumber equipment acquired with federal funds.

vii. **Fixed amount subawards**

- a. Subawards based on fixed amounts up to the simplified acquisition threshold, provided the subawards meet the requirements for fixed amount awards in 2 CFR 200.201.

viii. **Direct costs**

- a. Direct charge the salaries of administrative and clerical staff if all conditions in 2 CFR 200.413 are met, excluding 200.413(c)(3).

ix. **Compensation - personal services**

- a. Directly charge payments of incidental activities for which supplemental compensation is allowable under written institutional policy (at a rate not to exceed institutional base salary).
- b. Faculty salary in excess of Institutional Base Salary (IBS).
- c. Intra-IHE faculty consulting on a federal award that exceeds a faculty member's base salary.

x. **Compensation – fringe benefits**

- a. Severance payments to foreign nationals employed by the non-federal entity outside the US that exceed the amounts customary in the US.
- b. Severance payments to foreign nationals employed by the non-federal entity outside the US due to termination of the foreign

national as a result of the closing of, or curtailment of activities by, the non-federal entity in that country.

**xi. Entertainment costs**

- a. Inclusion of costs of entertainment, including amusement, diversion, and social activities and any associated costs that have a programmatic purpose.

**xii. Equipment and other capital expenditures**

- a. Direct charge capital expenditures for general purpose equipment.
- b. Direct charge capital expenditures for buildings and land use.
- c. Direct charge capital expenditures for special purpose equipment over \$5,000.
- d. Capital expenditures for improvements to land or buildings which materially increase their value or useful life.

**xiii. Exchange rates**

- a. Exchange rate fluctuations that result in the need for additional federal funding, or a reduction in the scope of the project.

**xiv. Fines, penalties, damages and other settlements**

- a. Costs resulting from non-federal entity violations of, alleged violations of, or failure to comply with, federal, state, tribal, local or foreign laws and regulations.

**xv. Fundraising and investment management costs**

- a. Costs of organized fund raising for the purposes of meeting the federal program objectives.

**xvi. Goods or services for personal use**

- a. Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses).

**xvii. Insurance and indemnification**

- a. Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, federal government property.

- xviii. **Memberships, subscriptions, and professional activity costs**
  - a. Costs of membership in any civic or community organization.
- xix. **Organization costs**
  - a. Costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselors, whether or not employees of the non-federal entity in connection with establishment or reorganization.
- xx. **Participant support costs**
  - a. Transfer of funds into the participant support cost category.
  - b. Transfer of funds budgeted for participant support costs to other categories of expense.
- xxi. **Pre-award costs**
  - a. Inclusion of allowable pre-award costs.
  - b. Incur project costs 90 calendar days before the federal awarding agency makes the award.
  - c. Incur project costs more than 90 calendar days pre-award.
- xxii. **Rearrangement and reconversion cost**
  - a. Direct charge, special arrangements and alterations costs incurred specifically for a federal award.
- xxiii. **Selling and marketing costs**
  - a. Costs of selling and marketing any products or services of the non-federal entity (unless allowed under 2 CFR 200.421).
- xxiv. **Taxes (including value added tax)**
  - a. Use of foreign tax reimbursement for approved activities under the federal award.
- xxv. **Travel costs**
  - a. Inclusion of travel costs for officials covered by 2 CFR 200.444.

- b. Travel costs for dependents for travel of duration of six months or more.

## **N. Federal Financial Reporting (FFR)**

Federal financial reporting is normally required within 90 days of the termination date of the award and is indicated in the terms and conditions. The Office of Management and Budget (OMB) provides standard form SF-425 to report on the cash management and financial status of an award. This information must be collected with the frequency required by the terms and conditions of the federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting ([2 CFR 200.327](#)).

Federal award grants require the recipient to submit reports periodically on the financial status of these grants to the agencies that provide the funds. The UPR is responsible for administering the funds that it receives from federal, state and private agencies, and for complying with the requirements and regulations that these agencies stipulate. The OMB has consolidated two financial reports into one, known as the federal financial report SF-425. As the agent responsible for the management of funds that are awarded, UPR has established a procedure for the preparation of these financial reports such that the regulations of the different federal agencies are effectively complied with.

Each unit might have its own desktop procedure to reconcile and analyze projects expenses, invoicing and FFR requirements. However, **Appendix E - Invoicing and FFR Requirements** includes a sample procedure to analyze and prepare such documentation. This procedure aims to streamline the preparation of data to be included in the FFR, quantifying the disbursements incurred within a set period, evaluating and ensuring that transactions are not duplicated or that costs have not previously been billed in prior periods. It is important to identify that the disbursements are found within appropriate categories and appropriately calculate the corresponding indirect costs (Facilities and Administration Costs) which may vary depending on the specific project.

The Finance and Accounting Office is responsible for preparing this documentation. This function can also be assigned to various people within the same office who are knowledgeable in the area of accounting and management of external funds who are familiar with federal regulations. The persons responsible for filing the FFR must complete the costs reconciliation between UFIS, the funds petitions made during the current billing period and the cumulative data on the FFR from prior billing periods.

## **O. Subrecipient Monitoring and Management**

The [2 CFR 200.331](#) requires prime recipients of federal funds to monitor subawards to ensure subrecipients meet the audit requirements and use funds in accordance with the approved budget, applicable laws, regulations, and terms and conditions of the award (See also *Federal Awardee Performance and Integrity Information System (FAPIIS)* in the Compliance section). This procedure applies to all subawards issued under both federal and non-federal sponsored programs made to the University of Puerto Rico (UPR). It does not apply to professional services and consultant agreements or the procurement of goods or services from contractors. (See Pre-award section - L. Subcontracting Classification).

UPR is responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of sponsored funds. This procedure addresses institutional responsibilities and assists PI/PDs and staff in ensuring that, in addition to achieving performance goals, subrecipients comply with federal laws and regulations and with the provisions of any agreements that govern the subaward.

In addition to subrecipient monitoring, under the 2010 Federal Funding Accountability & Transparency Act (FFATA), entities receiving federal funding are required to report how those funds are being spent, this includes funds exceeding \$25,000 that are granted to another entity ([2 CFR Part 170](#)).

1. *Distinguishing between a Subaward, an Intercampus Agreement and Procurement Action*

The proper classification of a transaction as a subaward, an intercampus agreement (known as the official UPR document to be used to formalized grants agreements between UPR campuses/units; for additional information refer to the Finance Circular 16-07 (amended) - Intercampus subaward agreement<sup>29</sup>) or other procurement action at the time it is proposed is critical to ensure proper accounting for costs and compliance requirements. Misclassification may result in delays in subaward processing or inaccurate calculation of costs (i.e., failure to include or exclude F&A costs) and may result in the PI/PD having insufficient funds to carry out the proposed program.

PI/PDs have the initial responsibility of ensuring the correct classification of costs at the time funding is first requested from the sponsor. The PI/PD must ensure that sufficiently detailed information about the proposed subrecipient and their Statement of Work (SOW)

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<sup>29</sup> <https://www.upr.edu/wp-content/uploads/2017/04/Finance-Circular-16-07-Intecampus-Sub-Award-AMENDED.pdf>



is provided to OSP. If the information provided is insufficient, OSP may request additional information from the PI/PD.

## 2. *Determine the Need for a Subaward*

The PI/PD is responsible for determining the need for a subaward and/or other procurement action on a sponsored project, and for the initial determination of which mechanism is appropriate. PI/PDs are typically assisted by the OSP or its equivalent in making these determinations.

## 3. *Issuance of a Subaward*

- i. Before establishing a subaward agreement, the agency's approval must be sought if not included as part of the approved proposal ([2 CFR 200.308](#)).
- ii. A subaward must be formalized before issuing payments. There are two types of subrecipient agreements with slight differences in terms of requirements.
  - a. *Intercampus Subaward Agreement* - This agreement is used only for subrecipients that are other campus/units of the UPR system. It does not have all the requirements and clauses of a formal contract with a third party (See [Finance Circular 16-07 \(amended\) - Intercampus subaward agreement](#)<sup>30</sup>).
  - b. *UPR Cost Reimbursement Subaward Agreement* (See template based on the *Federal Demonstration Partnership - Appendix F*) - This agreement should be used with third party organizations. Puerto Rico's legal provisions (Circular Letter OC-15-13, Puerto Rico Comptroller's Office, January 16, 2015<sup>31</sup>) prohibits public organizations from entering into retroactive agreements. Therefore, the PI/PD may not authorize a subrecipient to begin working without a fully executed subaward agreement in place. In addition, this agreement must comply with registration in the Comptroller's Office contracts database, mandatory clauses and documentation requirements imposed by the local government to public organizations.
- iii. Subawards periods of performance and duration

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<sup>30</sup> <https://www.upr.edu/wp-content/uploads/2017/04/Finance-Circular-16-07-Intecampus-Sub-Award-AMENDED.pdf>

<sup>31</sup> <https://www.ocpr.gov.pr/wp-content/uploads/2016/05/OC-15-13.pdf>

The period of performance of a subaward (including any requested extensions) must not be outside of campus/unit's period of performance under the prime award. A new subaward must be issued whenever campus/unit's sponsored project receives funding under a new competitive segment.

iv. Applying facilities & administrative (indirect cost) rates to subawards

There are two types of F&A costs on subawards: those earned by the subrecipient, and those earned by the UPR campus/unit. A subrecipient is expected to apply its own federally negotiated F&A rates and bases when preparing its subaward budget, unless a lower rate or base has been agreed to by the subrecipient's institutional official (e.g., to meet cost-sharing requirements, or to meet a sponsor's F&A rate limitation). If a subrecipient does not have a federally approved F&A rate, it must either apply the 10% *de minimis* indirect costs (F&A) rate on modified total direct costs (MTDC) or elect not to recover indirect costs (F&A). For subawards issued under federal funding, in accordance with 2 CFR 200, Section 200.414, subrecipients who do not have a federally negotiated F&A rate may elect to charge a *de minimis* rate of 10% of modified total direct costs (MTDC). The applicable F&A rate to subawards, throughout the entire award period, will be the approved F&A rate at the time of issuance of the award, known as the "life-of-the-award" policy.

When campus/unit's prime award uses an F&A rate that is based on a modified total direct cost (MTDC) base, campus/unit will recover its own F&A on the first \$25,000 of each subaward on a project. This recovery is calculated on the life of the subaward contract. A project may have multiple subawards with the same recipient, the recovery of F&A Costs on the first \$25,000 applies to each subaward contract or period of performance, regardless of the recipient.

4. *Risk Management and Monitoring for Subawards and Intercampus Agreement*

Regarding risk monitoring of subawards, the 2 CFR 200, section 200.331(6)(b) indicates the following need: *"Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraph (e) of this section, which may include consideration of such factors as..."*. The section 200.331(6)(e) also

establishes that: *“Depending upon the pass-through entity’s assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals...”*.

Campus/unit’s OSP staff and the PI/PD are responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of federal sponsor funds in accordance with 2 CFR 200 requirements. For such purposes, the Office of Management and Compliance of Sponsored Projects issued a guide and provided the tools and procedures necessary for monitoring to help assess the risk and provide a framework depending on the risk associated. The use of the tools and scope of monitoring procedures should be determined by the PI and OSP according to the nature of the grant and the perceived risk associated with the subrecipient. The information collected in the forms comply with the minimum requirements to assess risks associated with a subrecipient. Additional monitoring efforts may be implemented if there is any question about the subrecipient’s ability to manage funds during any stage of the award. (Refer to **Appendix G - SERIAL ORCI-2016-01 - University of Puerto Rico Risk Management Procedures for Federal Grants Subawards**<sup>32</sup>).

Ongoing monitoring includes activities undertaken to verify the subrecipient’s administration, billing and scientific progress, as well as on-going risk assessment. At least, the monitoring activities may include:

- i. Certification of the work performed by the subrecipient is complete and acceptable (PI/PD).
- ii. The assurance that all deliverables required under the subaward agreement take place according to the SOW. (PI/PD).
- iii. Review of approved subrecipient invoices in a timely manner (PI/PD) and support documentation.
- iv. Review invoices randomly every six months.
- v. Review financial statements and single audit reports every year.
- vi. Ensure financial reports are received in a timely manner.
- vii. Review of budgeted expenses versus actual expenditures every year.

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<sup>32</sup> [https://www.upr.edu/wp-content/uploads/2017/04/SERIAL-ORCI-2016-01-UNIVERSITY-OF-PUERTO-RICO-RISK-MANAGEMENT-PROCEDURES-FOR-FEDERAL-GRANTS-SUBAWARDS-JUL\\_18\\_2016-1.pdf](https://www.upr.edu/wp-content/uploads/2017/04/SERIAL-ORCI-2016-01-UNIVERSITY-OF-PUERTO-RICO-RISK-MANAGEMENT-PROCEDURES-FOR-FEDERAL-GRANTS-SUBAWARDS-JUL_18_2016-1.pdf)

- viii. Communications of problems with the reporting of deliverables to the OSP/Finance office and the PI/PD.
- ix. Up to date SOW, budget, and other supporting information to the OSP/Finance office, as needed.
- x. Assurance that invoices are approved by the PI or his/her designee and returned to the OSP/Finance office in a timely manner.
- xi. The request for clarification of any unusual or excessive charges invoiced by the subrecipient.
- xii. Verified documentation of invoices not approved by the PI/PD and maintaining copies of all related supporting documents.
- xiii. Preservation of documentation of all monitoring efforts (copies of emails, phone logs, etc.).
- xiv. Conduct site visits.

##### 5. *Closeout Subawards*

A subaward agreement is closed out when its period of performance ends, regardless of whether campus/unit's project completes all project activities. The subaward agreement closeout process must include the following documents.

##### i. Final Technical/Progress Reports

PI/PDs are responsible for obtaining final technical/progress reports from their subrecipients and retaining a copy in the project file.

##### ii. Other closeout reports and documents

Other final reports, including property reports, patent reports, small disadvantaged business reports may be required. PI/PDs and departments may be asked to assist the Office of Sponsored Programs, or its equivalent, in obtaining the necessary closeout reports in a timely manner from the Subrecipient.

##### iii. Final Invoice

In order for campus/unit to comply with its financial reporting requirements, subrecipients are required to submit a final invoice, clearly marked FINAL no later than 60 days after the end of the Subrecipient's period of performance, or other date as specified in the subaward contract or agreement. In the event no invoice is received within 60 days after the end of a

subaward, campus/unit may treat the Subrecipient's last invoice as the final invoice.

## **P. Facilities and Administrative Costs (F&A) or Indirect Costs**

F&A are those costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. Campus/units without a negotiated F&A agreement must use the ten percent (10%) *de minimis* indirect cost rate when permitted by the sponsoring agency.

According to Board of Trustees [Certification Number 42, 2020-2021<sup>\[OBJ\]</sup>](#) (Amends [Certification Number 106, 2017-2018<sup>\[OBJ\]</sup>](#)), 95% of the recovered indirect costs will be assigned to the corresponding unit and will be used **exclusively** for projects that strengthen research and additional external funds. Changes or rebudgets that affect F&A recovery must be signed off, by the corresponding OSP official.

## **Q. Property Management**

2 CFR Part 200 requires that equipment (See section pre-award - budget categories for definition) must be used by the UPR in the program or project for which it was acquired as long as needed. During the time that equipment is used on the project or program for which it was acquired, the recipient must also make it available for use on other projects or programs, provided that such use will not interfere with the work on the projects or program for which the equipment was originally acquired. When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, following the priority order established in [2 CFR 200.313\(c\)\(1\)\(i\)\(ii\)](#).

Equipment records must be retained for three years after final disposition; a physical inventory of equipment must be taken at least every two years and reconciled to the equipment records. An appropriate control system should be used to safeguard equipment; and equipment should be adequately maintained. The Board of Trustees Certification Number 062, 1994-95 (As amended by [Certification 167, 2014-2015<sup>33</sup>](#)) establishes the procedures for the control, management, and inventory of property and equipment. In addition, Circular 12-18 of the Central Administration's Finance Office<sup>34</sup> provides additional instructions to ensure compliance with federal guidelines contained in [2 CFR 200.313](#).

## **R. Award Closeout Procedures**

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<sup>33</sup> <https://apicertificaciones.upr.edu/file/download/25748>

<sup>34</sup> <https://research.rcm.upr.edu/wp-content/uploads/sites/10/2020/08/Finance-Circular-12-18.pdf>

For award closeout, the final reports required include the Technical or Progress and the Financial or expenditures, Patents and Invention and Property. These reports are usually due at 90 or 120 calendar days after the end of the performance period. Sponsor's reporting requirements may vary depending on the terms and conditions of the award.

1. Unless the Federal awarding agency authorizes an extension, a recipient must liquidate all obligations incurred under the award before the FFR's due date.
2. The federal awarding agency must make prompt payments to the recipient for allowable reimbursable costs under the award being closed out.
3. The institution must promptly refund any balances of unobligated cash that the Federal awarding agency has advanced or paid and that is not authorized to be retained by the recipient for use in other projects.
4. When authorized by the terms and conditions of the award, the Federal awarding agency must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.
5. All closeout actions for federal awards should have been completed by the federal awarding agency no later than one year after receipt and acceptance of all required final reports.

## **S. Record Retention**

2 CFR 200 ([Section 200.333](#)) states that *"Financial records, supporting documents, statistical records, and all other non-federal entity records pertinent to a federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the federal awarding agency or pass-through entity in the case of the subrecipient."* The exceptions to this rule include:

1. If any litigation, claim, or audit has started before the expiration of the three-year period, the records must be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.
2. When the institution is notified in writing by the federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.

3. Records for real property and equipment acquired with federal funds must be retained for three years after final disposition.
4. When records are transferred to or maintained by the federal awarding agency, the three-year retention requirement is not applicable to the institution.
5. Records for program income transactions after the period of performance. In some cases recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the institution's fiscal year in which the program income is earned.
6. Indirect cost rate proposals and cost allocation plans. Different retention rules apply to the indirect cost proposal related records (See [2 CFR 200.334\(f\)\(1\)\(2\)](#)).

Because the performance period of a grant cycle may range from 1 to 10 or more years, the three-year rule must be applied to the final reporting due date. For example, the records of a grant starting in 2005 and ending in 2008 should be kept until 2011 or 2012 depending on the date of the final financial report submission.

#### **T. Award Transfer**

The award transfer from one institution to another is a complex process and a number of potential issues should be addressed prior to the transfer. Since awards are generally granted to the Institution and not to the PI in an individual capacity. Institutional support is needed to execute the transfer. Award transfers include grant activities and documentation, funds, equipment, and intellectual property agreements. Prior approval from the funding agency is required. Both the former and new institution must agree to transfer the unspent portion of the grant prior to the start date with the new institution.

#### **U. Material Transfer**

Material transfer agreement (MTA) is a contract that governs the transfer of tangible research materials between two organizations when the recipient intends to use it for his or her own research purposes. MTA defines the rights of the provider and the recipient with respect to the materials and any derivatives. Three types of MTAs are most common at academic institutions: transfer between academic or research institutions, transfer from academia to industry, and transfer from industry to academia. Each requires different terms and conditions. Consult the Legal Division of your campus/unit for more information and transmittal.

## **V. Memorandum of Understanding (MOU)/Memorandum of Agreement (MOA)**

MOU/MOA is a written document between two or more parties assigning responsibilities and benefits with common objectives. MOU/MOA can only be signed by the President or the campus/unit Chancellor or his/her designee (AOR) ([Certification 106, 2017-2018](#)<sup>35</sup>, [Certification 36, 2009-2010](#)<sup>36</sup>).

## **V. Compliance**

### **A. Compliance Officer**

The Compliance Officer (Coordinator, Committee, or its equivalent) is responsible for understanding and following the 2 CFR 200 (Uniform Guidance), and the federal sponsor, state, and institutional laws and regulations.

Compliance issues are:

#### *1. Human Subjects Protection/Institutional Review Board (IRB)*

It is University policy that the regulations of the Department of Health and Human Services (HHS), set forth in 45 CFR Part 46 (Federal policy for the Protection of Human Subjects or the 'Common Rule'), are applicable to all research involving human subjects, as defined by these regulations, for which the University is responsible, regardless of the source of funding or whether the research is funded. The UPR faculty, staff, and students are required to obtain IRB approval prior to conducting research with human subjects. This applies to both on-campus and off-campus research. An IRB is a board established in accordance with and for the purposes expressed in the Common Rule.

According to this policy a *human subject* is defined as a living individual about whom an investigator (whether professional or student) conducting research obtains: (1) data through intervention or interaction with the individual, or (2) identifiable private information. However, there are some research activities involving human subjects that are exempt from this policy, such as, normal educational practices; the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless the information obtained is recorded in such manner that human subjects can be identified, and any disclosure of the human subjects' responses outside the research

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<sup>35</sup> <https://apicertificaciones.upr.edu/file/download/23683>

<sup>36</sup> <https://apicertificaciones.upr.edu/file/download/25258>



could reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, or reputation; the collection or study of existing data, documents, records, pathological specimens, or diagnostic specimens, if these sources are publicly available, and that subjects cannot be identified, directly or through identifiers linked to the subjects; among others (See [45 CFR 46.104](#))

The IRB committee provides administrative support to the PI/PD in certifying that all key personnel involved in the human subject's portion of the research have completed the required education for the protection of human subjects in accordance with sponsoring agencies and University policies.

The primary responsibility of the University is to ensure the protection of rights, privacy and welfare of all human participants in research programs conducted by the faculty, professional staff, and students. Coexistent with participant protection is the goal of providing quality services to enhance the conduct of research.

To achieve this goal, each campus/unit should:

- i. Appoint an Institutional Review Board (IRB) or Human Subjects Protection Committee. An IRB is a committee that performs ethical review of proposed research involving human subjects. The IRB has the authority to review, approve, modify or disapprove research protocols submitted by faculty, staff and students' investigators, if protections to human subjects are violated or the research poses unnecessary risks. The Board shall prepare and maintain adequate documentations of committee activities such as minutes of the board meetings, written procedures, copies of all correspondence between the board and the PI/PD, a list of the board members, statements of significant new finding provided to subjects as required in [45 CFR 46.116\(b\)\(5\)](#).
- ii. Register its own IRB, (an "internal" IRB), or designate an already registered IRB operated by another organization, (an "external" IRB), after establishing a written agreement with that other organization.
- iii. Register for a Federal Wide Assurance (FWA) Number in order to receive support from the US Department of Health and Human Services for research involving human subjects. Each FWA must designate at least one IRB registered with the Office for Human Research Protections (OHRP). Some federal departments and agencies that conduct or support human subject research permit use of the FWA as the assurance required by their regulations. Others require use of their own assurance for research not appropriate for an FWA.

- iv. Establish internal procedures and review processes guided by federal rules and regulations. The procedures and review process should be based on the U.S. Code of Federal Regulations 45 CFR 46 Protection of Human Subjects, the Belmont Report, and provisions of 45 CFR 46 requiring institutions receiving federal funds to have all research human participants be approved by an IRB. The internal procedures should guarantee that all research proposals involving human subjects are submitted to the IRB for review and approval before submission to the sponsor agency.
- v. Where a human is used as a research subject, the PI/PD must obtain the legally effective informed consent of the subject or the subject's legally authorized representative. A PI/PD shall seek such consent only under circumstances that provide the prospective subjects or the authorized representative with sufficient opportunity to consider whether or not to participate. The minimal possibility of coercion or undue influence on the subject must be avoided. The information given to the subject or authorized representative must be in understandable language. Informed consent, whether oral or written, may not include any exculpatory language through which the subject or the authorized representative is made to waive or appear to waive the subject's legal rights or releases. Also, it must not appear to release the PI/PD, the sponsor, the University or its agents from liability for negligence ([45 CFR 46.116](#)).
- vi. In the event research is undertaken without the intention of involving human subjects but it is later proposed to involve human subjects in the research, the research project must be reviewed and then approved by the IRB.

### *Single IRB*

The [single IRB \(sIRB\) mandate](#) is a set of complementary federal policies that require certain types of federally funded studies that involve multiple institutions to use a single IRB to accomplish IRB review and approval for all the institutions. The basis for the Single IRB is to allow multiple institutions that are conducting the same protocol to use a single IRB for review and approval for all domestic participating institutions.

There are two policies that require the use of a Single IRB: the [NIH Policy](#), effective January 25, 2018; and the [revised Common Rule](#) effective January 20, 2020.

The lead or coordinating institution is usually the institution that receives the grant or contract directly from a funding agency and then establishes

subawards or subcontracts with the participating sites. The lead PI is the PI in whose name the overall grant application was submitted to the funding agency and who is responsible for overall management and coordination of the study across all participating institutions. If there is no clear lead institution or PI identified as part of the funding structure, it will be important to identify which site will serve as the lead for the role of coordinating single IRB (sIRB) review responsibilities. Decisions will be made on a case-by-case basis. The following factors will be taken into consideration: number of institutions, PI's study staff and capacity to take on coordinating responsibilities, number of unique consent forms (i.e., consent, parental permission, assent, control group, etc.), and risk level of study.

## 2. *Biosafety*

The University conducts research and academic laboratory activities that involve the use of biological and/or chemical agents or hazardous materials. To be in compliance with federal, state and institutional regulations, the University and each campus/unit must have established the Occupational Safety, Health and Environmental Protection Office or its equivalent. It is the responsibility of this office to provide a research environment free from recognized biohazards and comply with state and local agencies regulations. ([29 CFR 1910](#)).

## 3. *Institutional Animal Care and Use Committee (IACUC)*

Institutional animal care and use committees are of central importance to the application of laws to animal research ([IACUC Central](#)). Federal regulations require that institutions using animals as research subjects must carefully monitor animal care and use. The standards contained in Subchapter A, "Animal Welfare" of Title 9 of the Animal Projects Act ([9 CFR Subchapter A](#)) and the PHS/NIH Guide for the Care and Use of Laboratory Animals governs the use of animals in research in a university system (<https://olaw.nih.gov/policies-laws/phs-policy.htm>).

Each campus/unit must establish written guidelines and procedures to review and approve projects involving the proposed uses of animals in research, testing or education; and establish a mechanism for receipt and review of concerns involving the care and use of animals.

## 4. *ClinicalTrials.gov Registration*

All NIH-funded clinical studies must be registered in [clinicaltrials.gov](https://clinicaltrials.gov), regardless of study phase or type of intervention. NIH defines clinical trials as: "A research study in which one or more human subjects are prospectively assigned to one or more interventions (which may include

placebo or other control) to evaluate the effects of those interventions on health-related biomedical or behavioral outcomes.”

The National Institutes of Health (NIH) is issuing this policy to promote broad and responsible dissemination of information from NIH-funded clinical trials through *ClinicalTrials.gov*. The policy establishes the expectation that all investigators conducting clinical trials funded in whole or in part by the NIH will ensure that these trials are registered at *ClinicalTrials.gov*, and that information on results of these trials is submitted to *ClinicalTrials.gov*. (81 FR 64922).

#### 5. *Human Fetal Tissue Research*

“Human fetal tissue is defined as tissue or cells obtained from a dead human embryo or fetus after a spontaneous or induced abortion or stillbirth. This definition does not include established human fetal cell lines. Research involving the transplantation of human fetal tissue must be conducted in accordance with applicable Federal, State and local laws as well as the following NIH guidance. Sections 498A and 498B of the PHS Act (42 U.S.C. 289g-1 and 289g-2) set forth specific requirements and prohibitions on research involving human fetal tissue.” (NIH GPS 4.1.14).

#### 6. *Research Misconduct*

The University of Puerto Rico is committed to promoting the highest standards of excellence and integrity in research. To achieve this, UPR strives to provide an environment in which faculty and students may pursue knowledge objectively and in accordance with ethical norms. Misconduct in research constitutes unacceptable behavior for faculty, staff, and students, and is prohibited by the UPR. In order to safeguard research against actions that undermine its integrity and the public’s trust, the University enacted the Board of Trustees Certification Number 45, 2006-2007, System-Wide Policy and Procedures for Responding to Allegations of Possible Research Misconduct ([Certification 45, 2006-2007](#), Res-JS<sup>37</sup>). The inquiries and investigations into research misconduct include the following:

- Research fraud
- Falsification
- Plagiarism
- Fabrication
- Other serious deviations

The policy, with general procedures, has been established to effectively address allegations of, and discourage misconduct in research and

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<sup>37</sup> <https://apicertificaciones.upr.edu/file/download/25006>

research-related activities and for reporting to the pertinent agencies, when required. It also assigns responsibilities to each campus/unit and corresponding Chancellors.

- i. Institutional responsibility: Each campus/unit is responsible for fostering a research environment that discourages misconduct in research and for implementing the procedures required for compliance with the system-wide policy, as well as with the requirements established by the funding sponsor(s) for each specific project.
- ii. Chancellor responsibility: The Chancellor of each campus/unit is responsible for developing mechanisms to make this policy and its procedures known to all faculty, staff, students, and collaborators, and to carry out the procedures contained in this policy. If needed, this responsibility shall include, but is not limited to, the development of campus-wide policies that conform to the specific campus/unit profile and conform to this system-wide policy and procedures. The Chancellor of each campus/unit will appoint a Research Integrity Officer.
- iii. Research Integrity Officer responsibility: The research integrity officer will have primary responsibility for implementation of UPR's policy and procedures on research misconduct. The research integrity officer will be an institutional official who is well qualified to administer the research misconduct procedures.

## 7. *Conflict of Interest*

The UPR is a public corporation of Puerto Rico. Orderly procedures must be followed to avoid ethical and legal conflicts of interest and to ensure that such activities do not conflict with the proper discharge of university responsibilities.

In order to uphold integrity, transparency and accountability in its conduct of research; and to harmonize the existing conflict of interest (COI) policies and procedures with the new federal norms, and any applicable local and state laws and regulations, the UPR established the *Policy and Guidelines for Financial Conflicts of Interests and Commitments in Research and Sponsored Programs of the University of Puerto Rico* through [Certification 8, 2012-2013](https://apicertificaciones.upr.edu/file/download/21845)<sup>38</sup> (Amended by [Certification 12, 2015-2016](https://apicertificaciones.upr.edu/file/download/25742)<sup>39</sup>), Board of Trustees. The policy sets forth procedures and guidelines that are to be followed by the University in resolving or managing actual and potential

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<sup>38</sup> <https://apicertificaciones.upr.edu/file/download/21845>

<sup>39</sup> <https://apicertificaciones.upr.edu/file/download/25742>

faculty conflicts of interest and commitment pertaining to all research projects, independent of its source of funding.

The certification assigns to each chancellor the responsibility to designate a conflict of interest officer(s), as the University's institutional official responsible for the implementation of this policy and guidelines to review and recommend to the investigator, unit head, deans, and chancellor the management plans for disclosed financial conflicts of interest and assure that appropriate documents related to this policy are available to the public as required by law.

It also assigns the VPAAR of the UPR the responsibility for assuring compliance with applicable Puerto Rico's law, this policy, and related University regulations. The VPAAR is also responsible for developing, issuing and notifying the necessary guidelines to implement this policy and serves as the liaison on these matters with the campus/unit.

#### *8. Debarment and Suspension*

The federal government prohibits expending federal funds on goods or services from any entity suspended or debarred from doing business with the federal government (See [2 CFR 200.213](#); [2 CFR 200.214](#)). Suppliers or contractors for procurement of goods and services using federal funds should be checked for debarment before purchasing and/or awarding a contract or subaward.

Debarment status should be checked at the System for Award Management (SAM.gov) prior to purchasing or contracting with any entity to ensure that it has not been debarred or suspended by the federal government. The OSP must document the suspension and debarment verification in the transaction and/or the project records (such as, a print screen of the website verification status on the date verified). If the entity is on the list, contracts cannot be approved until the entity is removed from the exclusions listing.

#### *9. Single Point of Contact (SPOC) (Puerto Rico Planning Board)*

All proposals for federal funding to programs covered under Executive Order 12372 must be filed in the Office of Federal Proposals Review, Puerto Rico Planning Board to obtain the number for "Single Point of Contact (SPOC)", Intergovernmental review of Federal programs, and the Puerto Rico Administrative Bulletin 4763-A (<http://jp.pr.gov/>).

#### *10. Unique Entity Identifier (UEI) and System for Award Management (SAM) Registration*



The UEI is owned by federal government and is generated in SAM.gov. The UEI is a unique number assigned to all entities (public and private companies, individuals, institutions, or organizations) who register to do business with the federal government. All proposers must have a valid UEI and have an active SAM registration when applying for a new or renewal award. Besides, any subrecipients named in the proposal also are required to obtain a UEI. Subrecipients named in the proposal, however, do not need to be registered in SAM. GSA has implemented a process by which an organization that will only be a subrecipient may receive a UEI without undergoing a complete SAM registration. See the SAM.gov website for additional information about registration and UEI assignment.

SAM is an official U.S. government-wide portal that consolidates the capabilities of multiple systems and information sources used by the federal government in conducting the acquisition and financial assistance (which includes grants and cooperative agreements) processes. SAM collects, validates, stores, and disseminates data in support of agency acquisition missions, including federal agency contracts and assistance awards. There is no cost to use SAM. Both current and potential government vendors are required to register in SAM in order to be awarded contracts by the federal government. Vendors are required to complete a one-time registration to provide basic information relevant to procurement and financial transactions. Vendors must update or renew their registration annually to maintain an active status (<https://www.sam.gov>). Failure to comply with SAM registration requirement prior to proposal submission may impact the processing of the proposal. Proposers are advised that entity registration will become active after three to five business days when the Internal Revenue Service (IRS) validates the Tax ID Number.

OSP or its equivalent in each campus/unit are responsible for maintaining the accuracy of their information in SAM and utilizing SAM to submit government-wide representations and certifications. Prior to proposal submission, all proposing organizations are required to have reviewed and certified compliance with the government-wide financial assistance representations and certifications maintained in SAM. Failure to comply with SAM certification and registration requirements will impact the submission and processing of the proposal. If a registration is not active, an organization will not be able to submit a proposal, nor be able to take approval actions on any submitted proposals or recommended awards, and payments will not be able to be processed and approved.

OSP or its equivalent in each campus/unit also are responsible for the yearly update of the SAM registration, the accuracy of their information and utilizing SAM to submit government-wide representations and certifications. An expired registration will impact an organization's ability to submit proposals and/or receive award payments.

### *11. Federal Awardee Performance and Integrity Information System (FAPIS)*

The Federal Awardee Performance Integrity Information System (FAPIS) was created in response to taxpayers demanding more transparency into how government funds are appropriated and spent. As mandated by the Federal Acquisition Regulations (FAR) 9.104-6 and Uniform Guidance (UG) 2 CRF 200.206, federal awarding agencies of contracts, grants, and cooperative agreements must have a framework in place for evaluating risks posed by applicants prior to making a new award and must check FAPIS for any pertinent information. Risk evaluations may involve the following criteria: financial stability of recipient, management systems and standards in place, history of performance (including timeliness of applicable reporting requirements and conformance to terms and conditions of previous awards), audit reports and findings, ability to effectively implement requirements and, suspension and debarment compliance.

### *12. Commercial and Government Entity (CAGE) Code*

The commercial and government entity code (CAGE code), is a unique identifier assigned to suppliers to various government or defense agencies, as well as government agencies themselves and various organizations. CAGE codes provide a standardized method of identifying a given facility at a specific location.

The Department of Defense's, Defense Logistics Agency (DLA) assigns the five-character ID and uses alpha numeric identifier is assigned to entities located in the United States and its territories. Any company pursuing business with the federal government must have a CAGE code. It supports a variety of procurement and acquisition processes throughout the U.S. government. There is no charge for registration, assignment, and maintenance of CAGE codes. Each campus/unit has a CAGE number.

### *13. Inventions (Intellectual Property)*

The Board of Trustees [Certification 34, 2018-2019](#)<sup>40</sup>, Institutional Policy on Patents, Inventions and their Commercialization, provides the authority, establishes and governs a program to solicit, evaluate, disclose, patent and commercialize the inventions of the faculty, staff member, students, and others that may be employed or engaged in work at the University. This policy also establishes who is responsible for granting the authorizations and licenses, among others ([Certification 34, 2018-2019](#)). The President and Chancellors have specific responsibilities regarding the implementation and administration of this policy.

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<sup>40</sup> <https://apicertificaciones.upr.edu/file/download/23731>



The UPR intends to protect and promote applications for patentable and commercialization of inventions in accordance with the laws of Puerto Rico and the intent of the United States Patent Act (Title 35 US Code), as amended, including the Bayh-Dole Act, and the Cooperative Research and Technology Enhancement (CREATE) Act of 2004, with regard to inventions made under the sponsorship of the United States Government. If the University, according to the Policy on Patents, Inventions and its Commercialization, decides to pursue a patent for such invention, the grantee and the PI/PD have the responsibility of notifying the awarding agency. The PI/PD must abide with the corresponding terms and conditions of [Certification 34, 2018-2019](#). All patents and agreements must be processed through the office for intellectual property under the VPAAR.

Inventions under a federally sponsored project must be reported according to federal guidelines in the iEdison System. The Technology Transfer Officer (TTO) for each campus/unit is responsible for timely reporting and updating records, throughout the patentizing and commercialization processes. The Intellectual Property Director must inform the TTO about any reported invention and keep them abreast of any developments throughout the patentizing and commercialization processes.

#### *14. Copyright*

The production and transmission of knowledge in the context of the university setting finds expression in a variety of artistic, creative, literary and scientific forms. The creative works of members of the faculty, non-teaching personnel and students must be given appropriate copyright protection so that the authors, the institution, and the community at large may benefit from them. [Certification number 93-140](#)<sup>41</sup>, Puerto Rico Council of Higher Education established the institutional policy regarding copyright consonant with the mission of the University of Puerto Rico. The President and the Chancellors have specific responsibilities regarding the implementation and administration of this policy. Each campus/unit must establish procedures to comply with this policy.

#### *15. Visa Requirements*

The UPR faculty, students, and staff may engage in a variety of academic and research activities that will require compliance with all applicable immigration requirements. It is important to coordinate and process in a timely manner different visas or options that allow the implementation of academic and research activities that involve international professors, researchers and guests in the UPR. Each campus/unit must establish procedures to comply with this requirement.

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<sup>41</sup> <https://apicertificaciones.upr.edu/file/download/24113>

#### *16. Fly America Act*

When traveling using federal funds, travelers are required to use an airline that is designated as a “U.S. flag” carrier for every portion of the route per the [Fly America Act \(49 U.S.C. 40118\)](#). You can find a [complete list of certified U.S. flag air carriers on transportation.gov](#). There are some [exceptions to the Fly America Act](#). If you believe you meet one of the exceptions, please complete the [Fly America Act Waiver Checklist](#) for federal funds form and turn it into the Office of Sponsored Programs or its equivalent with supporting documentation for approval **PRIOR** to purchasing the flight. Some exceptions requiring a waiver include: when a U.S. flag carrier is not available on a particular route; when using a U.S. flag carrier would increase the number of aircraft changes outside the U.S. by 2 or more; extend travel time by 6 hours or more; or require a connecting time of 4 hours or more at an overseas interchange point.

#### *17. Federal Funding Accountability and Transparency Act (FFATA)*

All sponsored program offices must comply with the FFATA legislation which requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website ([www.USASpending.gov](http://www.USASpending.gov)). Federal awards include grants, subgrants, loans, awards, cooperative agreements and other forms of financial assistance as well as contracts, subcontracts, purchase orders, task orders, and delivery orders. For more information, visit <https://www.fsrc.gov/>.

#### *18. Responsible Conduct of Research (RCR)*

Responsible conduct of research is defined as the practice of scientific investigation with integrity. It involves the awareness and application of established professional norms and ethical principles in the performance of all activities related to scientific research. It requires that all faculty, students, and fellows receiving support through any NIH or NSF grants must receive instruction in responsible conduct of research. Applications lacking a plan for instruction in responsible conduct of research will be considered incomplete and may be delayed in the review process or not reviewed. Each campus/unit must maintain records sufficient to demonstrate that faculty, students, and fellows have received the required instruction. The RCR training plan must be in place at the time of proposal submission. For further information, refer to NIH NOT-OD-10-019 (<https://grants.nih.gov/grants/guide/notice-files/not-od-10-019.html>) and NSF (<https://www.nsf.gov/od/recr.jsp>). Primary responsibility lies with the campus/unit's Research Integrity Officer (RIO), designated as required by the Department of Health and Human Services (DHHS) Office for Research Integrity (ORI). The latter institutional officers, as well as the office of the

VPAAR, must submit an annual report to ORI accounting for any misconduct incident.

In order to fulfill the NIH and NSF mandated training and education requirements for faculty and trainees receiving support from these sponsors the university campus/units have implemented a series of mechanisms, courses and programs. The campus/unit's RIO serves as a guide to assist all interested and required to obtain this education.

#### *19. Export Controls (ECLs)*

Export control laws (ECLs) represent a comprehensive set of federal regulations that control and restrict the release of critical technologies, technical data, software code, equipment, chemical and biological materials, and other materials, information, and services to foreign nationals or foreign countries for reasons of foreign policy and national security. Any transfer to a citizen or permanent resident of a foreign country, regardless of where the transfer occurs, is deemed by the United States government to be an export to that country. Export controls apply to all activities, not just sponsored research projects but to activities ranging from discussions with foreign nationals to the transfer of equipment.

ECLs involve a number of different regulations. The three major regulatory schemes in place governing ECLs are the Export Administration Regulations (EAR) administered by the United States Department of Commerce (For more details see [EAR](#)); the International Traffic in Arms Regulations (ITAR) administered by the United States Department of State ([ITAR Compliance](#)); and the Office of Foreign Asset Control (OFAC) administered by the United States Department of Treasury ([Office of Foreign Assets Control - Sanctions Programs and Information](#)).

The Department of Commerce's EAR and ITAR restrict the export of certain technology or technical data, such as military applications (regulated by ITAR) or commercial applications that may also have value in a military context (regulated by EAR), overseas and to foreign nationals working in or visiting the United States. OFAC regulates trade embargoes, sanctions, and travel restrictions and restricts exportation of information and research articles to embargoed entities and persons.

In some circumstances, the university may be required to obtain prior approval from the appropriate agency before allowing foreign nationals to participate in research, collaborate with a foreign company, or share research results with foreign nationals. Although these regulations do contain exclusion criteria for fundamental research, universities are not exempt from these laws since the exclusion clause applies only under certain conditions. It is therefore each employee's responsibility to

understand any export control requirements related to his or her work and to ensure that no exports are made contrary to any of these laws and regulations. This means making sure that any required licenses or approvals are in place prior to exporting anything that is export controlled. The PI/PD is responsible for taking export controls into consideration during the planning and implementation of their programs or projects, as well as whenever those activities change in scope or direction.

The great majority of work and products qualify as fundamental research and are not subject to export controls. Fundamental research consists of basic and applied research in science and engineering for which the resulting information is ordinarily published and shared broadly within the scientific community. Basic research is distinguished from proprietary research or industrial development. Each campus/unit must establish written internal guidelines to comply with these regulations.

i. What is considered an export?

Generally speaking, any delivery or exposure of U.S. hardware, software, or technical data or assistance outside of the U.S. is considered an export and is potentially subject to being controlled. In addition, certain deliveries or exposure occurring entirely within the U.S. may be considered "Deemed Exports," as discussed below. The Department of Commerce in its export control regulations defines an export as:

- a. Any shipment, transfer, or transmission out of the United States by any means (including hand-carrying) of any:
  1. Goods (equipment, hardware, or materials)
  2. Technology (technical data, information, or assistance)
  3. Software/Codes (commercial or custom)
- b. Any transfer to any person or entity of goods, technology, or software by physical, electronic, oral, or visual means with the knowledge or intent that the item(s) will be shipped, transferred, or transmitted to a non-U.S. entity or individual.
- c. Any disclosure of technical data or information to a foreign entity or individual, by any means, inside or outside of the United States.
- d. Any transfer of goods, technology, or software, by any means, to a foreign embassy or affiliate.

Only exports defined by the U.S. government to be sensitive are actually impacted by export controls. Such export control sensitivity usually arises for any or all of the following reasons:

- a. The nature of the export itself
- b. Concerns about the destination country, organization, or individual
- c. Concerns about the declared or suspected end use and/or end user of the export (e.g., an individual, an entity such as a laboratory or other organization, or a country).

## *20. Foreign Influence*

The Department of Health and Human Services, NIH and NSF have issued guidance to advance productive partnerships in science while protecting against threats to the integrity of research in the United States. The issued foreign influence guidance reminds applicants and awardees to disclose all forms of other support and financial interests, including support coming from foreign governments or other foreign entities; promote the protection of intellectual property, and disclose relevant affiliations and collaborations, including participation in publications. Investigators must comply with this guidance when completing progress and closeout reports or at any other instance when foreign collaborations are involved.

## *21. Program Income*

[2 CFR 1108.310](#) defines program income as gross income earned by a recipient or subrecipient that is directly generated by a supported activity or earned as a result of an award or subaward during the period of performance (unless the award or subaward specifies continuing requirements concerning disposition of program income after the end of that period). Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under the award or subaward, the sale of commodities or items fabricated under the award or subaward, license fees and royalties on patents and copyrights, and payments of principal and interest on loans made with award or subaward funds. Program income does not include interest earned on advances of federal funds; proceeds from the sale of real property or equipment under the award; except as otherwise provided in federal awarding agency statutes, regulations or the terms and conditions of the award or subaward rebates, credits, discounts, and interest earned on any of them; or governmental revenues, taxes, special assessments, levies, fines, and similar revenues raised by the recipient or subrecipient.

According to, the recipients are encouraged to earn income to defray program costs where appropriate. The treatment of program income on federal grants is stipulated by the administrative requirements of the awarding agency. Similarly, non-federal sponsors may have terms and conditions that govern the treatment of program income. Treatment of program income earned under contracts is handled under the terms and conditions of a particular contract. [2 CFR 200.307](#), the recipients are encouraged to earn income to defray program costs where appropriate. The treatment of program income on federal grants is stipulated by the administrative requirements of the awarding agency. However, if the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award how program is to be used, paragraph (e)(2) of 2 CFR 200.307 must apply. Similarly, non-federal sponsors may have terms and conditions that govern the treatment of program income. Treatment of program income earned under contracts is handled under the terms and conditions of a particular contract.

The PI/PD must identify and document program income on projects from both federal and non-federal sponsors in accordance with sponsor requirements. If program income is anticipated at the time of proposal submission, this information must be included in the proposal submission. When program Income is not anticipated during the proposal preparation process and arises out of opportunities that occur during the life of the award, the PDI/PD is responsible for notifying the Office of Sponsored Projects or its equivalent in order to establish the program income account. The nature of this income must be appropriately documented, and the resulting revenue properly recorded.

Most agencies identify the method of accounting for program income in the notice of award or have default rules of accounting for it. The program income account and the main grant account are both included in financial reports to agencies. The financial status report submitted to the agency must include the aggregate amounts earned and spent.

If authorized by federal awarding agency regulations or the terms and conditions of the award, costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award. Proceeds from the sale of property are not program income; such will be handled in accordance with the requirements of the property standards, sections [200.311](#), [200.313](#) and [200.314](#).

Unless Federal awarding agency regulations or the terms and conditions of the award provide otherwise, recipients have no obligation to the federal government with respect to program income earned from license fees and

royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. However, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements” ([37 CFR part 401](#)) apply to inventions made under an experimental, developmental, or research award.

## **VI. Internal and External Audits**

### **A. Internal Audits**

The purpose of the Internal Audit Office is to assist the Governing Board, the President and the University leadership in the discharge of their oversight, management, and operating responsibilities by providing objective assurance, advisory, and investigatory services to the University’s community. Audit Services adds value by evaluating the adequacy and effectiveness of internal controls and policies, identifying areas of potential risks, engaging in special investigations and providing informed advice.

The Internal Audit office is authorized to:

1. Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to fulfilling their duties, subject to accountability for confidentiality, and safeguarding of records and information.
2. Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, hire external subject matter experts (as necessary), and issue reports.

The UPR’s campus/units must make available, in a timely manner, all appropriate information related to internal audits as requested. In performing its responsibilities, the Internal Audit Office has no direct responsibility for or authority over any of the operations it reviews.

The Internal Audit Office for the University of Puerto Rico was created by the UPR’s Governing Board [Certification 90, 1978-1979](#)<sup>42</sup>. Its operation is governed by the UPR’s Governing Board [Certification 102, 2009-2010](#)<sup>43</sup>, as amended by [Certification 23, 2018-2019](#)<sup>44</sup>.

### **B. External Audits**

A Single Audit, previously known as the OMB Circular A-133 audit, is an organization-wide financial statement and federal awards’ audit of a non-

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<sup>42</sup> <https://apicertificaciones.upr.edu/file/download/25768>

<sup>43</sup> <https://apicertificaciones.upr.edu/file/download/25324>

<sup>44</sup> <https://apicertificaciones.upr.edu/file/download/23719>

federal entity that expends \$750,000 or more in federal funds in one year. It is intended to provide assurance to the federal government that a non-federal entity has adequate internal controls in place and is generally in compliance with program requirements. Non-federal entities typically include states, local governments, Indian tribes, universities, and non-profit organizations.

In addition to the Single Audit, any UPR campus/unit might be subject to formal external audit or monitoring visits from the Office of Inspector General or any individual agency audit unit. If the campus/unit receives a notification of an external audit or monitoring, they must contact the UPR's Office of Management and Compliance for Sponsored Projects.

## **VII. Acronyms and Definitions**

### **A. Acronyms**

**AOR** - Authorized Organizational Representative

**AY** - Academic Year

**CAGE** - Commercial and Government Entity

**CFR** - Code of Federal Regulations

**COI** - Conflict of Interest

**CREATE** - Cooperative Research and Technology Enhancement

**CY** - Calendar Year

**DHHS** - Department of Health and Human Services

**DLA** - Defense Logistics Agency

**DOE** - Department of Energy

**DUNS** - Data Universal Numbering System

**EAR** - Export Administration Regulations

**ECLs** - Export Controls

**EPA** - Environmental Protection Agency

**ERA** - Electronic Research Administration



**F&A** - Facilities and Administration

**FAR** - Federal Acquisition Regulation

**FCOI** - Financial Conflict of Interest

**FDP** - Federal Demonstration Partnership

**FFATA** - Federal Funding Accountability and Transparency Act of 2006 or Transparency Act-Public Law 109-282, as amended by section 6202(a) of Public

Law 110-252 (31 U.S.C. 6101)

**FFR** - Federal Financial Reporting

**FP** - Fixed Price

**FWA** - Federal Wide Assurance

**FY** - Fiscal Year

**GSA** - General Services Administration

**HHS** - Health and Human Services

**HSR** - Human Subjects Research

**IACUC** - Institutional Animal Care and Use Committees

**IBS** - Institutional Base Salary

**IC** - Indirect Costs (Facilities and Administrative Costs - F&A Costs)

**IMLS** - Institute of Museum and Library Services

**IP** - Intellectual Property

**IRB** - Institutional Review Board

**ITAR** - International Traffic in Arms Regulations

**JE** - Journal Entry

**LD** - Labor Distribution

**MOU / MOA** - Memorandum of Understanding / Memorandum of Agreement

**MTA** - Material Transfer Agreement

**MTDC** - Modified Total Direct Costs

**NASA** - National Aeronautics and Space Administration

**NIH** - National Institutes of Health

**NOAA** - National Oceanic and Atmospheric

**NSF** - National Science Foundation

**OFAC** - Office of Foreign Asset Control

**OHRP** - Office for Human Research Protections

**OMB** - Office of Management and Budget

**ORI** - Office for Research Integrity

**OSP** - Office of Sponsored Programs

**PA** - Project Administrator

**PD** - Project Director

**PHS** - Public Health Service

**PI** - Principal Investigator

**PP** - Project Period

**PTE** - Pass through Entity

**RAs** - Research Administrators

**RCR** - Responsible Conduct of Research

**RFA** - Request for Application

**RFP** - Request for Proposal

**RIO** - Research Integrity Officer

**SAM** - System for Award Management

**SOW** - Statement of Work

**SPOC** - Single Point of Contact

**T&E** - Time and Effort

**TERS** - Time and Effort Reporting System

**TPE** – Total Professional Effort

**TTO** - Technology Transfer Officer

**UEI** - Unique Entity Identifier

**UPR** - University of Puerto Rico

**US** - United States

**USDA** - United State Department of Agriculture

**VPAAR** - Vice President for Academic Affairs and Research

**VPER** - Vice President for External Resources

## **B. Definitions**

### **A**

**Allocable Costs** - Those allowable costs that actually benefit the grant or contract to which they are charged.

**Allowable Costs** - Those categories of costs that are allowable as a charge on a grant or contract as determined by the terms and conditions of the award and/or appropriate cost principles. Certain types of costs, such as the cost of alcoholic beverages are not allowable and may not be charged to a contract or grant.

**Applied Research** - The systemic, intensive study directed toward the practical application of knowledge.

**Audit** - A formal examination of an organization or individual's accounts or financial situation. An audit may also include examination of compliance with applicable award terms, laws, regulations and policies.

**Authorized Signature** - (1) Signature of the person authorized to commit funds and facilities on grants and contracts. The President, Chancellors and

their authorized representative are the only authorized signatures in executing a tendered contract or accepting a grant. The President, Chancellors and their authorized representative are the authorized institutional officials to sign a proposal on behalf of the UPR. (2) Signature of those persons authorized to commit project funds. The project director/principal investigator is the authorized signer for his/her own project and may authorize other persons to commit project funds.

**Award** - Funds that have been obligated by a sponsor for a particular project.

## **B**

**Basic Research** - A systemic, intensive study. The primary aim of which is fuller knowledge or understanding of the subject under study rather than a practical application thereof.

**Budget** - A list of anticipated project costs that represent the PI/PD's best estimate of the funds needed to support the work described in a research grant or contract proposal.

**Budget Description (Justification or Narrative)** - A written description of the cost estimation methods used in preparing a budget that also explains or describes the types of individual costs that make up a larger budget category.

**Budget Period** - The interval of time (usually 12 months) into which the project period is divided for budgetary and funding purposes.

**Budget Adjustment** - The act of amending the budget by moving funds from one category or line item to another. (See also rebudget).

## **C**

**Closeout** - The act of completing all internal procedures and sponsor requirements to terminate or complete a research project.

**Cognizant Agency for Audit** - The Federal Agency designated to carry out the responsibilities for recipients expending more than a year in Federal awards must have a cognizant agency for audit. The cognizant agency for audit must: (1) Provide technical audit advice and liaison assistance to auditees and auditors, (2) Consider auditee requests for extensions to the report submission due date - the cognizant agency for audit may grant extensions for good cause- , (3) Obtain or conduct quality control reviews on selected audits.

**Conflict of Interest** - Situations in which employees use their positions for purposes that are or give the appearance of being motivated by a desire for private gain for themselves or others, such as those with whom they have family, business or other ties.

**Contract** - A legal mechanism for procurement of a product or service with specific obligations for both sponsor and recipient. Typically, a research topic and the methods for conducting the research are specified in detail by the sponsor, although some sponsors award contracts in response to unsolicited proposals.

**Copyright** - An intangible, incorporeal right granted by statute to an author or originator of certain literary or artistic productions, where he/she is invested, for a limited period, with the sole and exclusive privilege of multiplying copies of the same and publishing and selling them. Works of authorship include literary, musical or dramatic works, works of art, motion pictures or video tapes, audio recordings or computer programs.

**Cooperative Agreement** - An award similar to a grant, but in which the sponsor's staff may be actively involved in proposal preparation and anticipates having substantial involvement in research activities once the award has been made.

**Cost-Reimbursement Type Contract/Grant** - A contract / grant for which the sponsor pays for the full costs incurred in the conduct of the work up to an agreed-upon amount.

**Cost-Sharing** - A general term, used as a noun or adjective, that can describe virtually any type of arrangement in which more than one party supports research, equipment acquisition, demonstration projects, programs, institutions. Example: A university receives a grant for a project estimated to have a total cost of \$100,000. The sponsor agrees to pay 75% (\$75,000) and the university agrees to pay 25% (\$25,000). The \$25,000 is the cost-sharing component.

## D

**Department Administrators** - Administrative staff at the departmental level who coordinates with Principal Investigators, school administration, and central administration personnel to provide financial and administrative support for one or more sponsored projects. Administrative staff report directly to supervisors in the department (e.g., Department Head, business manager division administrator, Principal Investigator etc.). The Department Administrator serves as adviser to the Principal Investigator and Department Head/Chair on research-related fiscal and administrative matters.

**DHHS** - UPR's cognizant agency.

**Direct Costs** - Clearly identifiable costs related to a specific project. General categories of direct costs include but are not limited to salaries and wages,

fringe benefits, supplies, contractual services, travel and communication, equipment, and computer use.

**Donation** - Transfer of equipment, money, goods, services, or property with or without specifications as to its use. Sometimes a donation is used to designate contributions that are made with more specific intent than is usually the case with a gift, but the two terms are often used interchangeably.

## E

**Effort** - The total activity or work for which an individual is compensated by the University. Expressed as a percentage of the full-time equivalence (FTE).

**Electronic Research Administration (ERA)** - Conducting research administration by utilizing electronic resources such as the Internet, form templates, databases and other electronic tools. (For more information, link to NCURA or ERA Task Force)

**Encumbrance** - Funds that have been set aside or "claimed" for projected expenses pending actual expenditure of the funds.

**Endowment** - A fund usually in the form of an income-generating investment, established to provide long-term support for faculty/research positions (e.g., endowed chair).

**Equipment** - For UPR system purposes, equipment is defined as a tangible article that has an acquisition cost of \$5,000 or more and has a useful life of more than one year.

**Expiration Date** - End date of the performance period, as indicated on the Notice of Grant Award.

**Extension** - An additional period of time authorized by the sponsor (or awardee institution, as appropriate) to an organization for the completion of work on an approved grant or contract. An extension allows previously allocated funds to be spent after the original expiration date.

## F

**Facilities and Administrative (F&A) Costs** - Costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs are synonymous with Indirect Costs. General categories of indirect costs include general administration (accounting, payroll, purchasing, among others), sponsored project administration, plant operation and maintenance, library expenses, departmental administration expenses, depreciation or use allowance for buildings and equipment,

and student administration and services.

**Federal Demonstration Partnership** - Is a cooperative effort between a number of universities and federal agencies to increase research productivity by eliminating unnecessary administrative procedures and by streamlining and standardizing needed controls.

**Final Report** - The final technical or financial report required by the sponsor to complete a research project.

**Fiscal Year (FY)** - Any 12-month period for which annual accounts are kept. The federal government's fiscal year is October 1 through September 30. UPR's July 1 through June 30.

**Fixed-Price (FP) Contract/Grant** - A contract/grant for which one party pays the other party a predetermined price, regardless of actual costs, for services rendered or the delivery of a final product/report. Quite often this is a fee-for-service agreement.

**Fringe Benefits** - Employee benefits paid by the employer (e.g. FICA, Worker's Compensation, Withholding Tax, Insurance, among others).

**Funding Cycle** - Range of time during which proposals are accepted, reviewed, and funds are awarded. If a sponsor has standing proposal review committees (or boards) that meet at specified times during the year, application deadlines are set to correspond with those meetings. For some sponsors, if proposals are received too late to be considered in the current funding cycle, they may be held over for the next review meeting (i.e., National Science Foundation's Target Dates).

## G

**General Purpose Equipment** - Equipment that can be utilized for activities other than the specific, technical, specialized activities supported by a grant or contract. Examples include office equipment and furniture, reproduction equipment, motor vehicles and data processing equipment.

**Gift** - Gifts and bequests are awards given with few or no conditions specified. Gifts may be provided to establish an endowment or to provide direct support for existing programs. Frequently, gifts are used to support developing programs for which other funding is not available (Also see Donation).

**Grant** - A type of financial assistance awarded to an organization for the conduct of research or other program as specified in an approved proposal. A grant, as opposed to a cooperative agreement, is used whenever the awarding office anticipates no substantial programmatic involvement with the recipient during the performance of the activities.

**Grantee** - Organization or individual legally responsible and accountable for the performance and financial aspects of a supported project or activity awarded by an external sponsor. Also known as awardee or recipient.

**Grants Officer** - A sponsor's designated individual who is officially responsible for the business management aspects of a particular grant or cooperative agreement. The grants officer is responsible for all business management matters associated with the review, negotiation, award, and administration of a grant or contract and interprets the associated administration policies, regulations, and provisions.

## H

## I

**In-Kind** - defined under federal guidelines as "contributions other than cash". Equipment, materials, or services of recognized value that are offered in lieu of cash.

**Indirect Costs** - See Facilities & Administrative Costs. Indirect Cost Rate (also known as F&A rate) - The rate, expressed as a percentage of a base amount established by negotiation with the cognizant federal agency on the basis of the institution's projected costs for the year and distributed as prescribed in OMB 2 CFR 200.

**Institutional Review Board (IRB)** - Is a committee established under federal regulations for the protection of human subjects in research (45 CFR 46). Its purpose is to help protect the rights and welfare of human participants in research.

**Invention** - Any process, machine, manufacture, composition of matter, or design, or any new or useful improvement thereof, and any variety of plant which is or may be patentable under the patent laws of the United States.

## J

## K

**Key Personnel** - Personnel considered being of primary importance to the successful conduct of a research project. The term usually applies to the senior members of the project staff; however, sponsors may have differing definitions of key personnel. Changes in key personnel require agency prior approval.

## L

## M



**Matching Funds** - A term used to describe the requirement or condition that a generally minimal amount of money or services-in-kind originate from the beneficiaries of financial amounts.

**Misconduct in Research** - Fabrication, plagiarism, falsification or destruction of data, or other practices that seriously deviate from those that are commonly accepted within the scientific community for proposing, conducting, or reporting research.

**Modification** - An award document that modifies any aspect of an existing award.

**Modified Total Direct Costs (MTDC)** - Consist of all salaries and wages, fringe benefits, materials and supplies, services, travel and up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). MTDC excludes equipment, capital expenditures, charges for patient care and tuition remission, rental costs of off-site facilities, scholarships and fellowships, participant support costs, as well as the portion of each subgrant and subcontract in excess of \$25,000.

## N

**New Award** - An award not previously awarded or a renewal or continuation award treated as a new award by the sponsor and given a new agency number.

**No Cost Extension** - An extension of the period of performance beyond the expiration date to allow the PI/PD to finish a project. Usually, no additional funds are provided.

**Notice of Grant Award (also known as NOA)** - The legally binding document that serves as a notification to the recipient and others that a grant or cooperative agreement has been made; contains or references all terms and conditions of the award; and documents the obligation of funds.

## O

**OMB Uniform Guidance** – The Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

**Organized Research** - All research and development activities of the institution that are separately budgeted and accounted for. It includes:

(1) **Sponsored Research** - All research and development activities that are sponsored by Federal and non-Federal agencies and organizations. This term includes activities involving the training of individuals in research

techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

(2) **University Research** - All research and development activities that are separately budgeted and accounted for by the institution, and which are supported by institutional funds. University research shall be combined with sponsored research under the function of organized research.

## **P**

**Pass-through Entity** - A non-federal entity that provides an award to a subrecipient to carry out a program (Statement of Work on a sponsored project). The pass-through entity assumes responsibility for negotiation, issuance, oversight, and management of a subaward. The pass-through entity assumes many of the responsibilities typically assigned to a prime sponsor in issuance and oversight of an award to a grantee or contractor, including verification of the financial viability, adequacy of compliance controls and audit status of its subrecipients as well as oversight and verification of the subrecipient's fulfillment of its portion of the programmatic effort. The campus/unit serves as the pass-through entity for subawards issued under its sponsored projects.

**Pre-Award** - Constitutes anything that facilitates a proposal's creation and submission, prior to the award being received.

**Post-Award Administration** - All administrative activities that take place after a grant or contract has been awarded. These may include a change of PI/PD, a transfer of funds or equipment, changes in the amount of effort put forth by key personnel, and the submission of progress reports. The process also require the establishment of institutional procedures for assuring compliance with the terms and conditions of an approved award and the institutional regulations; timely reporting procedures, including reports on the products resulting from research, academic or public service activities; continued interaction with the awarding entity; compliance with integrity, ethical conduct of project's activities, animal care, human and hazardous materials; and the submission of a final report project's activities, animal care, human and hazardous materials; and the submission of a final report.

**Principal Investigator** - The individual responsible for the conduct of research or other activity, described in a proposal for an award. The Principal Investigator is responsible for all programmatic and administrative aspects of a project or program.

**Prior Approval** - The requirement for written documentation of permission to use project funds for purposes not in the approved budget or to change aspects of the program from those originally planned and approved. Prior

approval must be obtained before the performance of the act that requires such approval under the terms of the agreement.

**Program Announcement** - Describes existence of a research opportunity. It may describe new or expanded interest in a particular extramural program or be a reminder of a continuing interest in an extramural program.

**Program income** - Gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal awarding agency regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them.

**Program/Project Officer** - Sponsor's designated official responsible for the technical, scientific, or programmatic aspects of a particular grant , cooperative agreement , or contract . Serving as the counterpart to the principal investigator /project director of the grantee/contractor organization, the program/project officer works with the grantee/contractor organization staff to assure programmatic progress.

**Progress Report** - Periodic, scheduled reports required by the sponsor summarizing research progress to date. Technical, fiscal, and invention reports may be required.

**Project Period (PP)** - The total time for which support of a project has been programmatically approved. A project period may consist of one or more budget periods (Also see Budget Period).

**Proposal** - An application for funding that contains all information necessary to describe project plans, staff capabilities, and funds requested. Formal proposals are officially approved and submitted by an organization in the name of a principal investigator.

## Q

## R

**Rebudget** - The act of amending the budget by moving funds from one category or line item to another (See also Budget Adjustment).

**Recipient** - An organization receiving financial assistance directly from an awarding agency to carry out a project or program.

**Regulations** - The contractual rules and procedures governing sponsored research projects.

**Regulatory Noncompliance** - Failure to adhere to regulations, policies, procedures or special conditions related to the conduct of research. Examples of such noncompliance include, but are not limited to, failure to obtain/maintain approval for research; coercion of human subjects; performing unapproved procedures; and conducting research at unapproved sites.

**Renewal** - Applicable to grants and cooperative agreements only. A competitively reviewed proposal requesting additional funds extending the scope of work beyond the current project period. A continuation of a project for which the proposal submission is competitive.

**Request for Applications (RFA)** - Announcements that indicate the availability of funds for a topic of specific interest to a sponsor. Proposals submitted in response to RFAs generally result in the award of a grant. Specific grant announcements may be published in the Federal Register and/or specific sponsor publications (Also see Broad Agency Announcements).

**Request for Proposal (RFP)** - Announcements that specify a topic of research, methods to be used, product to be delivered and appropriate applicants sought. Proposals submitted in response to RFPs generally result in the award of a contract. Notices of federal RFPs are published in the Commerce Business Daily.

**Research** - A systematic study directed to enhance scientific knowledge or understanding of the subject studied. Research can be classified as basic or applied although data reported here are not separated into these categories. In basic research the investigation is oriented toward gaining a better knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications toward processes or products in mind. In applied research the investigation is aimed at gaining the knowledge or understanding necessary for determining the means by which a recognized and specific need may be met. The term research also includes activities involving training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

**Research and Development (R&D)** - Includes all research activities, both basic and applied, and all development activities that are supported at universities and colleges. Demonstration projects conducted to discover whether a technology or method is workable are considered to be within the scope of R&D if their objective is to produce new information within a specific time period.

"Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. Research and development exclude topographic mapping and surveys, collection of general-purpose statistics, and activities concerned primarily with the dissemination of scientific information. Also excluded are routine product testing, quality control, and R&D facilities and fixed equipment.

**Research Project or Program** – Are defined as projects or programs that require a proposal or other application to obtain funding, have a defined scope of work associated with the project, anticipate a deliverable result, and require that periodic financial and progress reports be submitted to the sponsor. It is also defined as a plan or course of action prepared by one or a group of investigators to conduct research activities that will result in the broadening of human knowledge in one or more disciplines. The product of the research is expressed in scientific or scholarly peer reviewed publications or reports to the sponsor that commissions the work, and usually, also results in intellectual property that may be protected by patents when appropriate or pertinent. Most research projects or programs are financially sponsored by a federal agency, local government or private entity. In those instances, a pre-award and post-award management procedure must be followed.

## **S**

**Salaries and Wages (S&W)** - Payments made to employees of the institution for work performed.

**Scope of Work** - The description of the work to be performed and completed on a research project.

**Sponsor** - Agency, entity or organization that provides the funding for a cooperative agreement, grant or contract. Sponsors may be federal or state government agencies, as well as non-governmental organizations.

**Sponsored Projects/Programs** - Externally-funded research, education, services and training activities in which a formal written agreement, a grant, contract, or cooperative agreement is entered into by the University and by the sponsor. A sponsored project/program are conducted by University

employees, using any University space, facilities, materials, equipment or property, which is financed by any source other than the University's funds and that may be thought of as a transaction in which there is a specified statement of work with a related, reciprocal transfer and commitment to a specified project plan. This statement of work is usually supported by both a project schedule and a line-item budget, both of which are essential to financial accountability. The statement of work and budget are usually described in a written proposal submitted by the University to the sponsor for competitive review. A sponsored project budget will include the University's full negotiated F&A (indirect) cost rate, unless a waiver of those costs has been approved. While not all of the above conditions are necessary to define a sponsored project, they are collectively indicative of the increased level of financial accountability associated with such projects.

**Sponsored Research** - Research conducted by University employees using any University space, facilities, materials, equipment, or property, and which is financed by contract payments, grants, or gifts from any source other than the University's funds. Sponsored Research Services (SRS) - SRS is a unit of the Division of Sponsored Research reporting to the Vice President for Research. SRS staff are responsible for reviewing and submitting contract and grant proposals, accepting grants, and negotiating contracts for extramurally funded research, training, and public service projects. SRS staff act as FSU's institutional official in matters involving the sponsor's awarding office. SRS is also responsible for post-award activities, such as approving certain actions delegated to the campus by sponsors, obtaining sponsor approvals as required, resolving problems that arise during the project period, reviewing consultant agreements, and assuring compliance with University and sponsor policies and regulations. SRS staff write and execute subcontracts with other institutions for performance of a portion of the scope of work under contracts and grants awarded to the University. Working with the FSU Research Foundation, SRS coordinates proposal and award activity involving nonpublic funding.

**Stipend** - A payment made to an individual under a fellowship or training grant in accordance with pre-established levels to provide for the individual's living expenses during the period of training. A stipend is not for services rendered; it is not salary or wage.

**Subaward** - A formal written agreement made between campus/unit and a "Subrecipient"--to perform a portion of the Statement of Work under a sponsored project. A subaward must include a clearly defined, intellectually significant Statement of Work (SOW) to be performed by the Subrecipient. The Subrecipient's SOW is performed by its personnel, using its own facilities and resources. Work is usually performed at the Subrecipient's site. The Subrecipient takes full responsibility for adhering to the terms and conditions of the subaward (including those flowed down from campus/unit) and assumes creative and intellectual responsibility and leadership as well

as financial management for performing and fulfilling the Subrecipient's SOW within the Subrecipient's approved budget. Subawards differ from procurement contracts used to acquire goods or services from vendors.

**Subrecipient** - a non-campus/unit entity that expends awards received from campus/unit to carry out a portion of campus/unit's programmatic effort under a sponsored project. There must be an arms-length relationship between campus/unit and its subrecipients. The Subrecipient may be another educational institution, an independent laboratory, a foundation, a for-profit corporation, a non-profit corporation or other organization, and may be a domestic or foreign entity. For both federal and non-federal sponsored projects, campus/unit adheres to the federal government's definition of a Subrecipient as defined in OMB Uniform Guidance 2 CFR 200.

## T

**Terms of Award** - All legal requirements imposed on an agreement by the sponsor, whether by statute, regulation(s), or terms in the award document. The terms of an agreement may include both standard and special provisions that are considered necessary to protect the sponsor's interests.

**Total Direct Costs (TDC)** - The total of all allowable direct costs of a project.

## U-Z

**Unallowable Costs** - Unallowable costs are specific categories of costs that cannot be charged, directly or indirectly, to federally sponsored agreements in accordance with Federal regulations.

## VIII. Resources and Useful Links

### A. Federal Regulations

- [OMB Uniform Guidance \(2 CFR 200\)](#)
- [Federal Acquisition Regulations \(FAR\)](#)
- [Education Department General Administrative Regs \(EDGAR\)](#)
- [Executive Order 12372](#)

### B. Major Funding Agencies

- [Department of Commerce](#)
- [Department of Education \(DE\)](#)

- [Department of Energy \(DOE\), Office of Science](#)
- [Department of Health and Human Services \(DHHS\)](#)
- [Department of Homeland Security](#)
- [Department of the Interior](#)
- [Environmental Protection Agency \(EPA\)](#)
- [Institute of Museum and Library Services \(IMLS\)](#)
- [National Aeronautics and Space Administration \(NASA\)](#)
- [National Endowment for the Arts](#)
- [National Endowment for the Humanities](#)
- [National Institute of Health \(NIH\)](#)
- [National Oceanic and Atmospheric Administration \(NOAA\)](#)
- [National Science Foundation \(NSF\)](#)
- [US Department of Agriculture \(USDA\)](#)

#### C. Federal Agencies

- [http://www.usa.gov/Agencies/Federal/All\\_Agencies/index.shtml](http://www.usa.gov/Agencies/Federal/All_Agencies/index.shtml)

#### D. Major Sponsored Research Administration Organizations

- [NCURA](#)
- [SRA](#)
- [SAI, Puerto Rico](#)

#### E. Online Platforms for Grant Applications Submission

- [Grants.gov](#)
- [Fastlane](#)
- [Research.gov](#)
- [E-grants](#)
- [eRa Commons](#)
- [USA.gov](#)
- [eZfedGrants](#)

#### F. Federal Government Forms

- <https://www.usa.gov/forms>

#### G. Code of Federal Domestic Assistance

- <https://beta.sam.gov/>
- <https://beta.sam.gov/help/assistance-listing>

#### H. Export Control

- [Export Administration Regulations \(EAR\)](#)
- [International Traffic in Arms Regulations \(ITAR\)](#)



- [Office of Foreign Assets Control \(OFAC\)](#)

I. Program Income

- [NIH Regulation on Program Income](#)
- [NSF Regulation on Program Income](#)

J. Regulatory Offices

- [U.S Department of Commerce](#)
- [U.S. Department of State](#)
- [U.S. Department of the Treasury](#)

**IX. Appendices**

Principal Investigator: \_\_\_\_\_

University Proposal Number: \_\_\_\_\_

**Checklist to Determine Subrecipient or Contractor Classification**

**OBJECTIVE:** Generally, the determination of the relationship with an entity is verified through the institutional review of the proposal narrative, budget justification, and other related proposal documents, as well as through discussions with key personnel prior to proposal submission. When the relationship remains unclear, this form may provide assistance in making an accurate determination.

**DEFINITIONS FROM UNIFORM GUIDANCE (2 CFR, PART 200):****Subrecipient:**

*§200.93 Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.*

**Contractor:**

*§200.23 Contractor means an entity that receives a contract as defined in §200.22 Contract.*

*§200.22 Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.*

**INSTRUCTIONS:** Complete sections one and two of the checklist by marking all characteristics that apply to the outside entity. The section with the greatest number of marked characteristics indicates the likely type of relationship the entity will have with the University. On occasion there may be exceptions to the type of relationship indicated by the completed checklist. In these situations, the substance of the relationship should be given greater consideration than the form of agreement between the University and the outside entity. Section 3 should be used to provide documentation on the use of judgment in determining the proper relationship classification.

**NAME OF OUTSIDE ENTITY:** \_\_\_\_\_**SECTION 1 - SUBRECIPIENT**

**Description:** A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- ☐ 1. Determines who is eligible to receive what Federal assistance;
- ☐ 2. Has its performance measured in relation to whether objectives of a Federal program were met;
- ☐ 3. Has responsibility for programmatic decision making;
- ☐ 4. In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity;
- ☐ 5. Uses the Federal Funds to carry out its own program, as compared to providing goods or services for a UNM Program;
- ☐ 6. Provides matching funds or cost sharing.

*Entities that include these characteristics are responsible for adherence to applicable Federal program requirements specified in the Federal award.*

**SECTION 2 - CONTRACTOR**

**Description:** A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:

- ☐ 1. Provides the goods and services within normal business operations;
- ☐ 2. Provides similar goods or services to many different purchasers;
- ☐ 3. Normally operates in a competitive environment;
- ☐ 4. Provides goods or services that are ancillary to the operation of the Federal program.

*Entities that include these characteristics are not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.*

**FINAL DETERMINATION:**☐**SUBRECIPIENT**☐**CONTRACTOR****OPTIONAL - SECTION 3 - USE OF JUDGMENT** (use only when the determination cannot clearly be made using the above criteria)

**Description:** In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

**Explanation of Use of Judgment Determination:**

Prepared By: \_\_\_\_\_

Date: \_\_\_\_\_

<b>SUBRECIPIENT COMMITMENT FORM</b>	University of Puerto Rico
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This subrecipient commitment form must be completed by an organization that intends to enter into a subrecipient relationship with the University of Puerto Rico (Campus/Unit).

**NOTE: Missing or incomplete information may delay the subcontract process.**

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#### SECTION A. UPR (Campus/Unit) INFORMATION

Name of PI: \_\_\_\_\_ Department: \_\_\_\_\_

Prime Sponsor: \_\_\_\_\_

Title of Project: \_\_\_\_\_

Period of Performance: \_\_\_\_\_ From: \_\_\_\_/\_\_\_\_/\_\_\_\_ To: \_\_\_\_/\_\_\_\_/\_\_\_\_

Proposed Period of Performance of Subrecipient (if different): From: \_\_\_\_/\_\_\_\_/\_\_\_\_ To: \_\_\_\_/\_\_\_\_/\_\_\_\_

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#### SECTION B. SUBRECIPIENT ELIGIBILITY SECTION

Any organization planning to enter into a collaborative subrecipient relationship with UPR (Campus/Unit) must complete this form. Please answer the following questions to determine if a formal subrecipient partnership can be established between your organization and UPR (Campus/Unit). This form will be considered valid for one year from the date of signature by your organization's Authorized Official.

**Please answer the following questions BEFORE completing the rest of the form.**

- ☐ **Yes** ☐ **No** Is your organization presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any Federal department or Agency?
- ☐ **Yes** ☐ **No** Is your organization delinquent on repayment of any Federal debt including direct and guaranteed loans and other debt as defined in OMB Circular A-129, "Managing Federal Credit Programs"?

**If you answered "Yes" to either of the above questions it will not be possible to establish a subagreement with your organization and you need not complete the remaining sections of this form. Please notify the UPR (Campus/Unit) Principal Investigator (PI) as soon as possible.**

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#### SECTION C. DOCUMENTS

- ☐ **STATEMENT OF WORK (Must describe the subrecipient's specific role within the UPR project-REQUIRED)**
- ☐ **BUDGET (REQUIRED)**
- ☐ **NARRATIVE BUDGET JUSTIFICATION (REQUIRED)**
- ☐ BIOSKETCHES OF KEY PERSONNEL *(in agency-required format, if required)*
- ☐ SMALL/SMALL DISADVANTAGED BUSINESS SUBCONTRACTING PLAN *(in agency-required format, if required)*
- ☐ OTHER: \_\_\_\_\_
- ☐ OTHER: \_\_\_\_\_
- ☐ OTHER: \_\_\_\_\_

**SECTION D. SUBRECIPIENT INFORMATION**

<b>Legal Name:</b> _____	<b>DUNS #:</b> _____
<b>Project Director/PI (required):</b> _____	<b>Phone:</b> _____ <b>E-mail:</b> _____
<b>Organization's Address: Include ZIP Code +4 or other postal code:</b>  	<b>Congressional District:</b> _____ (if in U.S.)
<b>Performance Site Address (if different from above):</b> <b>Include ZIP Code +4 or other postal code:</b>  	<b>Congressional District:</b> _____ (if in U.S.)
<b>Domestic Organizations:</b> <b>Federal Employer Identification Number (EIN):</b> _____ <b>Registered in SAM?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <b>Expiration Date:</b> ____/____/____ <b>CAGE Code:</b> _____ (Commercial and Government Entity)	<b>International Organizations:</b> <b>NAIS Code:</b> _____ (North American Industry Classification System) <b>(NCAGE) Code:</b> _____
<b>Amount of Funding Requested: \$</b> _____	<b>Cost Share provided by Subrecipient (if applicable) \$</b> _____
<b>Does the Subrecipient have adequate experience receiving same or similar federal Awards?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Executive Compensation (complete when collaborating on a U.S. Federal project only):**

☐ Yes ☐ No In your business or organization's preceding completed Fiscal Year, did your business organization receive (1) 80 percent or more of its annual gross revenues in U.S. Federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements and (2) \$25,000,000 or more in annual gross revenues from U.S. Federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

If "Yes", please answer the question below:

☐ Yes ☐ No Does the public have access to information about the compensation of the executives of the organization referenced herein through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78(d) or section 6104 of the Internal Revenue Code of 1986?

If "No", the subrecipient will be required to provide the names and total compensation of its top 5 highest compensated officers before a subcontract will be issued by UPR (Campus/Unit).

**SECTION E. CERTIFICATIONS-Check as Applicable****1. Facilities and Administrative Rates included in this contract have been calculated based on:**

☐ Our federally negotiated F&A rates for this type or work, or a reduced F&A rate that we hereby agree to accept. If checked please include a URL link to the rate agreement below:

☐ Other rates (please provide a description of the basis on which the rate has been calculated in Section G, Comments, below).  
☐ No rate agreement; requesting 10% de minimis rate (for Federal proposals).

☐ Not applicable-subrecipient is not requesting payment of F&A.

**2. Fringe Benefit Rates included in this contract have been calculated based on:**

☐ Rates consistent with or lower than our Federally negotiated rates. If checked please include a URL link to this information below:

☐ Other rates (please provide a description of the basis on which the rate has been calculated in Section G, Comments, below).

**3. Human Subjects**

☐ Yes ☐ No Human Subjects will be involved in subrecipient's portion of the work.

If "Yes" provide your organization's Federalwide Assurance Number (FWA): \_\_\_\_\_  
(If your organization does **not** have an FWA #, attach an explanation explaining how your organization will comply with US Federal regulations and policies for the protection of human subjects).

**4. Animal Subjects**

☐ Yes ☐ No Animal subjects will be involved in subrecipient's portion of the work.  
(If "Yes", provide a copy of the IACUC approval to the MSC PI as soon as possible. IACUC approval is required before a subagreement will be issued.)

**5. Responsible Conduct of Research (RCR) (NSF-Funded project only)**

☐ Yes ☐ No My organization certifies that it has an Institutional Plan to meet NSF's Educational Requirements for the Responsible Conduct of Research, as required under the "America COMPETES Act" Public Law 110-69-August 9, 2007.

☐ Yes ☐ No My organization certifies that it has a training program in place and will train all undergraduate and graduate students and postdocs in accordance with NSF's RCR requirements.

**6. Lobbying (US Federal projects only)**

☐ Yes ☐ No My organization certifies that no payments have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this proposed project. (If "No", attach an explanation.)

**7. Conflict of Interest (applicable to PHS agencies including NIH and NSF or other sponsors who have adopted the PHS COI disclosure rule).**

☐ Organization certifies that it has an active and enforced conflict of interest policy that is consistent with the provisions of 42 CFR Part 50, Subpart F, *Responsibility of Applicants for Promoting Objectivity in Research*. Organization also certifies that, to the best of Institution's knowledge, (1) all financial disclosures have been made related to the activities that may be funded by or through an agreement resulting from this proposal, and required by its conflict of interest policy; and (2) all identified conflicts of interest have or will have been satisfactorily managed, reduced or eliminated in accordance with the Organization's conflict of interest policy prior to expenditures of any funds under any resulting agreement.

☐ Organization does not have an active and/or enforced Conflict of Interest policy and agrees to abide by UPR policy, Certification 8, 2012-2013, located at <https://apicertificaciones.upr.edu/file/download/21845> (Amended by Certification 12, 2015-2016 - <https://apicertificaciones.upr.edu/file/download/25742>).

☐ Not applicable as project is not being funded by NIH, NSF, or other sponsor (including PHS sponsors) that has adopted Federal financial disclosure requirements.

☐ Yes ☐ No Is there a potential or identified conflict of interest?

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## 8. Debarment and Suspension

☐ Yes ☐ No Is the PI or any other employee or student planning to participate on this project debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities? (If "Yes", explain in Section G, *Comments*, below).

This Organization Certifies they: *(answer all questions)*

- ☐ are ☐ are not presently debarred, suspended, proposed for debarment, or declared ineligible for award of federal contracts
- ☐ are ☐ are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity
- ☐ have ☐ have not within three (3) years preceding this offer, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.
- ☐ have ☐ have not within three (3) years preceding this offer, had one or more contracts terminated for default by any federal agency.

## 9. Fiscal Responsibility

This organization certifies that its financial system is in accordance with generally accepted accounting principles and:

- ☐ Has the capability to identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received;
- ☐ Maintains internal controls to assure that it is managing Federal awards in compliance with applicable laws, regulations and the provisions of contracts or grants;
- ☐ Complies with applicable laws and regulations;
- ☐ Can prepare appropriate financial statements, including the schedule of expenditure of Federal awards;
- ☐ There are no outstanding audit findings which would impact contract costs. If there are findings, submit a copy of the most recent report that describes the finding and steps to be taken to correct the finding.
- ☐ The Subrecipient has an acceptable procurement system

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## SECTION F. AUDIT STATUS

☐ Subrecipient **DOES** receive an annual audit in accordance with 2 CFR 200, Subpart F-Audit requirements (OMB Circular A-133).

Most recent fiscal year completed: FY \_\_\_\_\_

☐ Yes ☐ No Were there any audit finding reported? (If "Yes", explain in Section G, *Comments*, below.)

☐ A URL LINK TO A COMPLETE COPY MUST BE FURNISHED TO THE UNIVERSITY OF PUERTO RICO MEDICAL SCIENCES CAMPUS:

☐ Attachment \_\_\_\_\_

☐ Subrecipient **DOES NOT** receive an annual audit in accordance with 2 CFR 200, Subpart F-Audit Requirements (OMB Circular A-133).

Subrecipient is a:

- ☐ Non-profit entity (under federal funding threshold)
- ☐ Foreign entity
- ☐ For-profit entity

☐ Government entity

**NOTE: If subrecipient does not receive a Single Audit (A-133 audit), UPR (Campus/Unit) will require the entity to complete a Subrecipient Profile Questionnaire prior to the establishment of a subaward:**

**(<https://www.upr.edu/wp-content/uploads/2018/11/Subrecipient-Profile-Questionnaire.pdf>)**

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#### SECTION G. COMMENTS

#### APPROVED FOR SUBRECIPIENT

The information, certifications and representations above have been read, signed, and made by an authorized official of the subrecipient named herein. The appropriate programmatic and administrative personnel involved in this application are award of agency policy in regard to subawards and are prepared to establish the necessary inter-institutional agreements consistent with these policies.

Any work begun and/or expenditures incurred prior to execution of a subaward agreement are at the subrecipient's own risk.

\_\_\_\_\_  
Signature of Subrecipient's Authorized Official

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Type or print name and title of Authorized Official)

\_\_\_\_\_  
(City, State, Zip)

\_\_\_\_\_  
(Name and EIN of Subrecipient Organization/Institution)

\_\_\_\_\_  
(Phone)

\_\_\_\_\_  
(FAX)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Email)

## APPENDIX C

Administración  
Central  
Universidad de  
Puerto Rico

25 de septiembre de 2019

Circular de Finanzas Núm. 20-05

SEÑORES RECTORES, DECANOS DE ASUNTOS ACADEMICOS,  
DECANOS DE ADMINISTRACION, DIRECTORES DE FINANZAS Y  
DIRECTORES DE CONTABILIDAD DEL SISTEMA UNIVERSITARIO

### PROCEDIMIENTO PARA EL USO DE LA TARJETA DE DEBITO CON LOGO VISA EN BENEFICIO DEL DESARROLLO INVESTIGATIVO INSTITUCIONAL



Mediante la Circular 04-13 y 15-25 la Oficina Central de Finanzas estableció el Procedimiento para el Uso de Tarjeta de Crédito Corporativa en Beneficio del Desarrollo Investigativo Institucional. Sin embargo, debido a la decisión tomada por American Express (AMEX) de reducir el crédito disponible a la Institución, hemos realizado las gestiones necesarias con el Banco Popular de Puerto Rico para tener un producto que continúe atendiendo la necesidad de contar con una tarjeta para los investigadores.

Oficina de Finanzas

El producto "ATH Internacional" a ser utilizado son unas tarjetas de débito con logo VISA, y su uso estará cubierto por un fondo que estará depositado en cuatro cuentas bancarias nominales bajo el control de la Administración Central. El uso de estas tarjetas estará regido por el estricto cumplimiento del procedimiento que se aneja a esta Circular.

Queda derogado el Procedimiento establecido bajo la Circular Núm. 15-25 y se adjunta a esta Circular las entradas de jornal que se efectuarán para el manejo correcto de las transacciones relacionadas al uso de ATH Internacional para investigadores, así como el Procedimiento para el uso de esta herramienta.

Favor de hacer llegar esta comunicación a aquellos funcionarios encargados de atender las finanzas universitarias.

Antonio Tejera Rocafort, CPA  
Director

goc

Anejos

Jardín Botánico Sur  
1187 Calle Flamboyán  
San Juan, Puerto Rico  
00926-1117

Tel. (787) 250-0000  
Fax (787) 764-1971



PROCEDIMIENTO PARA EL USO DE LATARJETA DE DÉBITO  
CON LOGO VISA EN BENEFICIO DEL DESARROLLO  
INVESTIGATIVO INSTITUCIONAL  
UNIVERSIDAD DE PUERTO RICO

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**PROCEDIMIENTO PARA EL USO DE LA TARJETA DE  
DÉBITO CON LOGO VISA EN BENEFICIO DEL  
DESARROLLO INVESTIGATIVO INSTITUCIONAL**

**Artículo I      Base Legal**

Se adoptan estas normas en virtud de las disposiciones del Reglamento General para la adquisición de Equipos, Materiales y Servicios No Personales de la Universidad de Puerto Rico (Certificación 36, Serie 2018-2019) de la Junta de Gobierno de la Universidad de Puerto Rico (UPR), en adelante Reglamento de Compras.

**Artículo II     Propósito y Aplicación**

El Propósito de estas normas es establecer el control y la uniformidad en el desembolso de fondos públicos efectuados mediante el uso de tarjetas de débito con logo VISA expedidas por las instituciones financieras seleccionadas por la UPR y emitidas a nombre de los investigadores. Este mecanismo servirá de complemento a dichos funcionarios para agilizar los procesos de adquisición de equipos, artículos y servicios no personales que no puedan ser adquiridos a través de compras ordinarias. También para el pago de gastos de viaje al exterior según sean autorizados conforme al Reglamento de Gastos de Viajes de la UPR (Certificación 120, Serie 1986 – 1987 del Consejo de Educación Superior, según enmendada) y este Procedimiento.

Estas normas serán de aplicación uniforme a todos los fondos especiales utilizados por funcionarios de la Universidad de Puerto Rico que participen de proyectos en beneficios del desarrollo investigativo institucional. Los directores de las Oficinas de Finanzas deberán notificar al Presidente y Rectores, según corresponda, cualquier desviación en estos procesos.



### Artículo III Definiciones

- A. Cuenta bancaria Institucional – Cuenta bancaria establecida mediante un contrato con la institución financiera recomendada por el Director de la Oficina Central de Finanzas de la Universidad de Puerto Rico al Presidente de la Universidad de Puerto Rico.
- B. Tarjetas de débito con logo VISA – tarjeta expedida por una institución financiera a nombre de funcionarios autorizados, para ser utilizada en acuerdo a las reglas establecidas en este procedimiento. La misma formará parte de una cuenta bancaria de la Universidad de Puerto Rico. La Universidad se reserva el derecho de su emisión y cancelación.
- C. Participante – Investigadores a quienes en nombre de la Universidad de Puerto Rico se les autoriza a cuestionar y utilizar la tarjeta de débito con logo VISA de la Universidad en beneficio del desarrollo investigativo institucional.

### Artículo IV Disposiciones Generales

- A. La tarjeta de débito con logo VISA podrá ser autorizada a investigadores de la Universidad de Puerto Rico para adquirir los artículos y servicios no personales que se requieren para la investigación o para realizar viajes autorizados al exterior. Una vez aprobada, estos funcionarios adquieren el estatus de pagadores auxiliares y estarán cubiertos por las finanzas correspondientes.
- B. La solicitud de la tarjeta de débito con logo VISA será aprobada por la autoridad nominadora o su representante autorizado en cada unidad institucional y por el Director de Finanzas de la Administración Central. La tarjeta de débito con logo VISA tendrá una vigencia de cinco años a partir de la fecha de emisión y no será transferible.

- C. En el caso de que el programa o cuenta termine antes de la fecha de expiración de la tarjeta, será responsabilidad del participante informar a la Oficina de Finanzas de la unidad institucional, quien a su vez notificará a la Oficina de finanzas de la Administración Central, la fecha de cancelación y procederá con la destrucción y devolución de la misma a la Oficina de Finanzas de la Administración Central.
- D. Los gastos realizados por el participante con la tarjeta de débito con logo VISA deben estar en cabal cumplimiento con los reglamentos, normas y directrices de la agencia o institución que otorga los fondos y con el Reglamento General para la Adquisición de Equipo, Materiales y Servicios No Personales de la Universidad de Puerto Rico y el Reglamento para Gastos de Viajes.
- E. El participante podrá pagar los boletos aéreos y alojamiento de estudiante s y demás personal relacionado al proyecto. También podrá pagar materiales educativos y otros materiales a los estudiantes. Los gastos de transportación y materiales antes incluidos podrán ser incurridos siempre que estén autorizados y cubiertos en los proyectos aprobados.
- F. La tarjeta de débito con logo VISA no podrá ser utilizada para incurrir en Gastos para el Desarrollo de Relaciones Institucionales (Cert. 190,2002-2003 de la Junta de Síndicos). Gastos para Actividades de la Comunidad Universitaria (Cert. 191, 2002-2003 de la Junta de Síndicos), ni Gastos para el Uso de las Telecomunicaciones (Cert. 192, 2002-2003 de la Junta de Síndicos). SE HACE CONSTAR QUE BAJO NINGUN CONCEPTO EL INVESTIGADOR ESTA AUTORIZADO A REPARTIR EFECTIVO DE NINGUNA ATM, YA SEA DOMESTICA O INTERNACIONAL o por cualquier otro medio.



- G. La cantidad máxima mensual a cargarse en la Tarjeta de débito con logo VISA en Beneficio del Desarrollo Investigativo Institucional de cada investigador será de \$10,000. Disponiéndose que bajo ninguna circunstancia podrá exceder, \$2,999 por transacción y que la Oficina de Finanzas velará por que no haya fraccionamiento en las adquisiciones para evadir el cumplimiento a esta disposición. El incumplimiento de lo aquí dispuesto será motivo suficiente para cancelar la tarjeta al participante de manera inmediata. Esto estará sujeto a la disponibilidad de fondos federales aprobados en las propuestas (s) investigativa (s) en el (los) renglón (es) destinados para la adquisición de equipos, artículos y servicios no personales. Los gastos de viajes no serán contemplados bajo el máximo aquí permitido.
- H. Para los gastos de viaje la cantidad será determinada por el estimado de gastos permitidos por el Reglamento de Viajes y según sea autorizado en la **Solicitud y Autorización de Orden de Viaje**.
- I. La tarjeta de débito con logo VISA no podrá ser utilizada para las compras de carácter personal u otras actividades que estén fuera de lo autorizado por las normas indicadas en este Procedimiento. El incumplimiento de lo aquí dispuesto será motivo suficiente para cancelar la tarjeta al participante de manera inmediata.
- J. El Presidente de la Universidad de Puerto Rico y los Rectores en sus respectivas unidades serán los responsables de velar por el fiel cumplimiento de las normas aquí establecidas.

Artículo V      Solicitud y Autorización en el Uso de la Tarjeta Débito con logo VISA para el Beneficio del Departamento Investigativo Institucional

- A. El investigador o funcionario interesado en adquirir la tarjeta tramitará la **Solicitud y Autorización de la Tarjeta de débito con logo VISA para el Uso**

de Investigadores, debidamente completada a la Oficina de Finanzas de la unidad a la cual pertenece.

- B. El funcionario responsable de la Oficina de Finanzas de la unidad institucional verificará la disponibilidad de fondos en la cuenta. Si procede, firmará y tramitará el formulario al Decano de Administración o el funcionario autorizado por la autoridad nominadora, para la firma de aprobación y el trámite a la Oficina de Finanzas de la Administración Central.
- C. Una vez aprobada por el Director de la Oficina de Finanzas de la Administración Central, se enviará a la institución financiera para que emita la tarjeta de débito a favor del funcionario participante.
- D. La tarjeta de débito será entregada por la unidad al investigador utilizando el formulario Recibo y Aceptación de Tarjeta.
- E. La Oficina de Finanzas de la Administración Central enviará copia del documento aprobado a la unidad institucional para información y mantener un registro de las tarjetas aprobadas. Dicho registro debe contener el nombre del investigador, número de las tarjetas (últimos cuatro dígitos), fecha de vigencia y los números de proyectos asociados a la tarjeta. Será responsabilidad de Oficina de Finanzas de la unidad de asegurarse de que para toda tarjeta activa exista (n) proyecto (s) vigentes asociados a la misma.
- F. La institución financiera enviará semanalmente un informe detallando el uso que haya efectuado cada tarjeta habiente. La Oficina de Finanzas de la Administración Central enviará a cada unidad un reporte mensual correspondiente al uso de cada tarjeta. La unidad, a su vez, preparará un Comprobante de Pago por Anticipado a favor de la Administración Central y registrará el mismo como una factura tipi *Prepayment* utilizando el código 1586. La unidad habrá de asegurarse de enviar a la Administración Central el reembolso de dichos cargos no más tarde del día décimo del siguiente mes. El



pago deberá enviarse a la Administración Central por medio de una transacción ACH.

- G. En o antes del decimoquinto (15) día de la fecha de cierre del ciclo de facturación mensual, el participante radicará el **Registro Mensual de Pagos Efectuados Mediante la Tarjeta de débito con logo VISA para uso de Investigadores junto con el Modelo 1MCOO1 – Comprobante de Desembolso**, para el trámite de pago a favor de la Administración Central. Este deberá incluir todas las facturas recibidas o recibos que apoyen el desembolso (originales). Incluirá una breve descripción del artículo o artículos adquiridos (puede hacer referencia al recibo si el mismo contiene la descripción de los artículos adquiridos), la fecha en que se efectuó la compra la cantidad a pagarse por el o (los) artículo (s) y la cuenta a la que se cargará(n) el o (los) mismo(s).
- H. EL participante será responsable del proceso de selección de los suplidores. Deberá seleccionar al suplidor tomando en consideración la experiencia en compras anteriores y lo razonable del precio ofrecido. El registro de pagos estará respaldado por los recibos originales de las compras y o cualquier otro documento que las justifique.
- I. Las compras de equipo se harán conforme a los Artículos 15-B y C del Reglamento Sobre Adquisición de Equipo, Materiales y Servicios No Personales de la Universidad de Puerto Rico (Certificación 30, Serie 2008- 2009 de la Junta de Síndicos), en adelante Reglamento de Compras. A tales efectos, se establece que como norma general no se permite la adquisición de equipo con la tarjeta de débito. Solo por alguna razón extraordinaria o fuera del control de la UPR, podrá adquirirse **equipo no capitalizable hasta un costo de \$2,999 con la tarjeta**. En estos casos deberá mediar solicitud del participante para realizar la compra del equipo indicando la justificación del porqué no se puede adquirir los equipos no capitalizables



utilizando el Reglamento de Compras. El Director/a de Finanzas de la unidad institucional deberá firmar la solicitud certificando que en efecto no es viable hacer la adquisición del equipo no capitalizable a través del Artículo 15 del Reglamento de Compras. Dicha solicitud se incluirá junto con el comprobante de desembolso.

- J. El participante será responsable de solicitar al oficial de propiedad de la unidad institucional que codifique el equipo y le informe el número de propiedad para ser incluido en el **Registro Mensual de Pagos Efectuados Mediante la Tarjeta de débito con logo VISA para el uso de Investigadores**. Para ello deberá someter al oficial de propiedad evidencia de la adquisición del equipo no más tarde de cinco (5) días de haber recibido el mismo.
- K. Cualquier diferencia entre la factura y el **Registro Mensual de Pagos Efectuados Mediante la Tarjeta de débito con logo VISA para el uso de Investigador** deberá ser aclarada de manera inmediata. El participante será responsable de proveer toda la información relacionada con los cargos realizados a la Oficina de Finanzas de la unidad institucional.
- L. Cualquier cargo que prevalezca como no autorizado luego del análisis con la Oficina de Finanzas será reembolsable de inmediato por parte del participante. La cantidad reembolsada se ingresará como menos cargo a la cuenta de la cual se emitió el pago a la Administración Central.
- M. Las cantidades no reembolsadas se considerarán deuda del funcionario participante. Se descontará del salario, balance de licencias ordinarias o de enfermedad en el próximo mes hasta satisfacer la totalidad de la deuda, conforme a lo autorizado voluntariamente por parte del investigador en la **Solicitud y Autorización de la Tarjeta de débito con logo VISA para el uso de Investigadores**. Los documentos deberán ser marcados con la fecha del recibo, una vez se entreguen por parte de los funcionarios participantes, de



forma que se pueda fijar responsabilidad en casos de que se incurra en cargos por demora.

- K. La unidad institucional deberá pagar a la Administración Central los cargos utilizados por sus respectivos investigadores en o antes del día décimo del siguiente mes de haber hecho uso de la tarjeta. La cantidad total a pagar debe corresponder al informe de desembolso que enviará la Administración Central.

**Artículo VI Limitaciones en la adquisición de Equipo, Materiales y Servicios no Personales**

- A. La tarjeta de débito con logo VISA no podrá utilizarse para pagar los siguientes artículos o servicios.

<u>Descripción</u>	<u>Código de Gasto</u>
Sueldo, Jornales, Bonificaciones, Compensaciones y Beneficios a Empleados	5000-5999
Servicios por Contrato	6200-6299
Servicios Públicos	6160-6199 y 6390-6399
Cuido de Animales	6329
Cuido de Pacientes	6328
Servicios de Lavandería	6323
Servicios Médicos a Atletas	6326
Cuidado de Niños	6327
Dietas de Personas en Puerto Rico	6415
Gastos de Dietas en el Exterior	6435; 6445; 6475 y 6485
Gastos de Viajes y Dietas de Estudiantes en Puerto Rico	6460; 6469 y 8215
Gastos de Acreditación	6530-6540
Evaluación de Manuscritos	6616
Edición de Manuscritos	6617

Traducción de Libros	6615
Equipo (como excepción de los dispuesto en el Artículo V-H)	7000-7799
Becas, Estipendios y Equipo	8000-8210 y 8215,8216 y 8217

B. Tampoco podrá ser utilizada para obtener lo siguiente:

1. Dinero en efectivo
2. Gasolina para uso de vehículo de motor
3. Material Explosivo
4. Material radiactivo
5. Narcótico y otras drogas
6. Bebidas alcohólicas

Artículo VII Gastos de Viajes en Misiones Oficiales

- A. Para que el participante pueda incurrir en los gastos de viaje con cargo a la tarjeta de débito con logo VISA, deberá haber radicado previamente en la Oficina de Contabilidad el Modelo MC 005 – solicitud y Autorización de Orden de Viaje debidamente aprobado por el funcionario responsable en su unidad institucional.
- B. Al regreso del viaje el participante deberá radicar el Modelo EJ 004- Liquidación y Comprobante de Gastos de Viaje, con todos los recibos y evidencia de los gastos, al igual que se requiere cuando el funcionario viaja con un anticipo de viaje. La liquidación deberá radicarse no más tarde de los 15 días siguientes a la fecha de regreso del viaje.
- C. No se cargará a la tarjeta partidas no autorizadas o que fueran anticipadas mediante la Solicitud y Autorización de Orden de Viaje.



- D. Aplicará todas las demás disposiciones vigentes que reglamentan los gastos de viaje en misiones fuera de Puerto Rico.

#### Artículo VIII Cláusula de Cancelación de la Tarjeta

- A. El Director de la Oficina de Finanzas de la Administración Central podrá solicitar a la institución financiera la cancelación de la tarjeta de débito con logo VISA por recomendación de los directores de la oficinas de finanzas de las unidades institucionales o si determina que el participante incurre en las siguientes faltas:

1. Si el participante se excede da la cantidad fijada en este procedimiento.
2. Si no se están procesando los informes dentro de las fechas establecidas por este procedimiento o si estos no se están rindiendo adecuadamente.
3. Si no cumplen adecuadamente con las normas y reglamentos de la institución previamente citadas.
4. Si se incurre en los gastos no autorizados según indicados en los Artículo VI (A y B), de este procedimiento.

De no recomendar la cancelación de la tarjeta, el/la Director/a de Finanzas de la unidad institucional deberá enviar al participante una amonestación escrita. Luego de dos amonestaciones el Director/a de Finanzas de la unidad institucional recomendará a la autoridad nominadora o su representante autorizado que solicite al Director de la Oficina Central de Finanzas la cancelación de la tarjeta a la institución financiera.

- B. La tarjeta se cancelará inmediatamente:

1. Si el participante permite el uso de su tarjeta a otras personas.
2. Si el empleado es separado de su puesto, renuncia o se jubila.
3. Si el empleado retira dinero en efectivo.

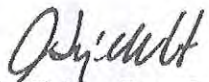
Artículo IX Pérdida o Sustracción de la Tarjeta de débito con logo VISA

- A. En caso de pérdida o sustracción, el poseedor de la tarjeta deberá notificar de inmediato a la Oficina de Finanzas de la unidad institucional y a la Oficina de Finanzas de la Administración Central.
- B. La responsabilidad sobre los cargos que se registren contra la tarjeta, luego de informada la pérdida o sustracción, será negociada en el contrato con la institución financiera.

Artículo X Vigencia

Se deroga el Procedimiento para el uso de la Tarjeta corporativa en Beneficio del Desarrollo Investigativo Institucional incluido en la Circular 04-13 del 30 de octubre del 2003 y según enmendada el 4 de mayo de 2004. Este procedimiento estará en vigor a partir de la fecha de la aprobación del Director de la Oficina Central de Finanzas de la Universidad de Puerto Rico.

Aprobado,

  
Antonio Tejera Rocafort, CPA  
Director de Finanzas



### ENTRADAS EN LA ADMINISTRACION CENTRAL - CUENTA 1131 TARJETA DEBITO PARA INVESTIGADORES

1131	1129
X	X

Para registrar transferencia inicial a la cuenta 1131 correspondiente a la tarjeta débito para investigadores de la UPR  
(Este transacción se utilizará para amarrar líneas del bai correspondiente a cada cuenta de caja en Cash Management)

1586	1131
X	X

Para registrar a nombre de cada unidad el uso mensual de la tarjeta de débito para investigadores (Recibo negativo en Receivables)  
(Este transacción se utilizará para amarrar líneas del bai correspondiente a la cuenta de caja en Cash Management)

### ENTRADAS EN LAS UNIDADES - TARJETA DEBITO PARA INVESTIGADORES

1586	1129
X	X

Para registrar pago mensual correspondiente al uso de la tarjeta de débito para investigadores  
(Esta transacción se realizará mediante una entrada de factura tipo prepayment a nombre de la AC y será eliminada cuando se registre la transacción de liquidación por parte del investigador. El pago deberá hacerse por método de ACH y enviar directamente los fondos a la cuenta bancaria 1131 de la AC.  
(Este transacción se utilizará para amarrar líneas del bai correspondiente a cada cuenta de caja en Cash Management)

6439	1586
X	X

Entrada para registrar el gasto correspondiente al uso de la tarjeta de débito para investigadores.  
Esta transacción se hará a nombre de la AC y se utilizará para registrar los gastos incurridos, y eliminar el prepayment de la cuenta 1586. Esta transacción NO debe generar pago alguno, solo es para registrar gastos y eliminar prepago y se registrará en el sistema tan pronto el investigador presente su liquidación de gastos por el uso de la tarjeta débito.

# UNIVERSIDAD DE PUERTO RICO

## Solicitud de la Tarjeta de débito con logo VISA para el Uso de Investigadores

1. Nombre del Solicitante		8. Certifico que la Tarjeta solicitada es necesaria para agilizar gestiones relacionadas a la investigación y que están regidas por el <i>Procedimiento para el Uso de Tarjeta de débito para el Beneficio y Desarrollo de la investigación.</i>																			
2. Título Oficial																					
3. Dirección Postal	4. Teléfono	Nombre Decano de la Facultad																			
5. Departamento u Oficina		Firma Decano de la Facultad	Fecha																		
6. Cuentas a afectarse: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 20%;">Numero</th> <th style="width: 40%;">Titulo</th> <th style="width: 40%;">Vigencia</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>		Numero	Titulo	Vigencia																9. Certifico que la información sobre la(s) cuenta(s) es correcta y que la(s) misma(s) tiene(n) fondos disponibles.	
Numero	Titulo	Vigencia																			
		Nombre Director Finanzas – Unidad																			
		Firma Director Finanzas – Unidad	Fecha																		
7. Solicitamos que me autorice a utilizar la Tarjeta de débito con logo VISA para efectuar cargos directamente relacionados con la investigación y siguiendo a cabalidad lo establecido en el respectivo procedimiento Certifico que la información que he suministrado es correcta. Autorizo voluntariamente a la Universidad de Puerto Rico a que descuenta de mi sueldo o balance de licencia ordinaria los cargos no autorizados por la Oficina de Finanzas los cuales no haya reembolsado, hasta satisfacer la totalidad de la deuda Acepto el cumplimiento con el <i>Procedimiento para Uso de la Tarjeta Débito en Beneficio del Desarrollo Investigativo Institucional.</i>		10. Autorizo al Solicitante a efectuar pagos mediante la Tarjeta de débito conforme a las disposiciones de este procedimiento y el <i>Reglamento para la Adquisición de Artículos y Servicios No Personales mediante la Tarjeta de débito con logo VISA.</i>																			
		Nombre Decano de Administración																			
		Firma Decano de Administración	Fecha																		
Firma del Solicitante		Fecha																			
<b>Para ser Completado por la Oficina Central de Finanzas</b>																					
11. Autorizo _____  No autorizo _____																					
Nombre Director Oficina de Finanzas		Fecha																			
Firma Director Oficina de Finanzas		Fecha																			



**UNIVERSIDAD DE PUERTO RICO**

\_\_\_\_\_  
**UNIDAD**

**DEVOLUCION DE TARJETA**

Nombre del Solicitante: \_\_\_\_\_

Título Oficial: \_\_\_\_\_

Departamento u Oficina: \_\_\_\_\_

Teléfono: \_\_\_\_\_

Tarjeta Núm. \_\_\_\_\_

Certifico que he liquidado todas las compras relacionadas a la tarjeta y devuelvo la misma por:

- ☐ Renuncia, Jubilación
- ☐ Culminación del Proyecto
- ☐ A solicitud de la Institución

\_\_\_\_\_  
Firma del Investigador

\_\_\_\_\_  
Firma personal Oficina de Finanzas/testigo

\_\_\_\_\_  
Nombre en letra de molde

\_\_\_\_\_  
Nombre en letra de molde

\_\_\_\_\_  
Fecha

\_\_\_\_\_  
Fecha

## APPENDIX D

### Cost Transfer Procedure

It is the policy of the University of Puerto Rico that costs should be charged to the appropriate sponsored project when first incurred. There are circumstances in which it may be necessary to initiate a cost transfer to reallocate or redistribute expenditures to a sponsored project after the initial recording of the charge. Sponsored project cost transfers should be initiated promptly and supported by documentation justifying the transfer.

PIs/PDs are responsible for managing their sponsored projects to minimize the need for cost transfers. PIs/PDs are also responsible for ensuring that when cost transfers are necessary, the costs transferred to (or between) their sponsored projects represent appropriate corrections of errors, and that cost transfers are completed as soon as the errors are detected.

All cost transfers must comply with federal and state laws, the institutional policies, and individual sponsor terms and conditions. Inappropriate cost transfers will result in expenditures being disallowed and may also cause the sponsoring agency to impose additional restrictions or to reduce subsequent funding (For further information refer to section IV. Post Award, G. Cost Transfer).

A cost transfer is a reallocation or redistribution of a previously charged expenditure transferred from one system fund to another fund after the charge has been posted in Banner. To process Cost Transfers for sponsored projects:

1. The sponsored program administrator and accountant must evaluate periodically, minimum monthly, all project/program's expenditures to determine if there a need for cost transfer.
2. Determine if the transfer is allowable as outlined in section IV. Post Award, G. Cost Transfer, and the following additional guidelines:
  - a. A cost transfer or JE cannot be processed on a frozen account.
  - b. A cost transfer or JE cannot be processed on a closed account.
  - c. A cost transfer or JE that will overspend an account will not be processed.
  - d. A cost transfer or JE that moves – force posted pro card charges from a departmental or academic unit account to a sponsored project account will not be processed without prior approval of the Post Award Coordinator or his/her delegate at the Office of Sponsored Programs.
  - e. If the amount being transferred differs from the amount indicated on the backup documentation, the written explanation must indicate what the difference is by percentage and appropriateness of the amount being charged.
  - f. There should be no negative amounts on a JE.
  - g. Submission and approval of cost transfer petitions.
  - h. Once the need and appropriateness of a cost transfer is established, requests for cost transfers are channeled via a *Cost Transfer Form* (CTF).



3. The Sponsored Programs accountant in charge must complete the CTF providing all the required documentation, such as, specific identification of the original charge (copy of the originating documents such as a purchase orders, travel vouchers and all supporting vendor invoices, receipts, or other documentation as appropriate), justification of the appropriateness of the charge to the receiving account, a fully explanation of why the transfer is necessary, detailing when the error was discovered, what the charge was for, why the charge was incorrectly made, and how it specifically relates to the sponsored project account to which it will be transferred; how the error occurred, and a correlation of the charge to the project to which the transfer is being made.
4. Once the CTF is completed and signed, it must be submitted to the Post Award Coordinator or his/her delegate at the Office of Sponsored Programs to analyze the request and verify that all administrative requirements in accordance with the policies established herein met.
5. The Post Award Coordinator or his/her delegate at the Office of Sponsored Programs is responsible for the review and approval of the cost transfer petition. The approval or denial of the petition must occur within five (5) days, to allow for prompt cost transfer action.
6. After receiving authorization for the cost transfer, the sponsored programs accountant in charge will provide a written or electronic mail confirmation to the PI/PD, and his/her sponsored program administrator, of the approval and corresponding corrective cost transfer action taken.
7. If the requested cost transfer is approved, the appropriate expenses can be charge to the correct account.



### Cost Transfer Request Form

Please read the University's Cost Transfer Policy before submitting your request. Fields marked with an asterisk (\*) are required.

#### Principal Investigator Information

Name \*

First

Last

Email \*

#### Administrative Contact Information

In case additional information needed.

If you are submitting this form on behalf of the PI, please complete your information here.

Name \*

First

Last

Email \*

Financial/Post-award Contact

#### Transaction Information

From/Decrease \*

Original account charged

To/Increase \*

New account to be charged

Transfers

Object Code

Vendor Payee

Amount

Date or Time Period

#### Explanation

Why is the cost transfer needed? \*

Clerical or data entry error.

Expenditure was a benefit to a project other than the one charged.

Expenditure was a benefit to more than one project. Cost Transfer is needed to move a portion of the expenditure to reflect actual use of resources.

Reallocation of effort. **\*\*Note:** not permitted after effort reports are signed.

Continuing project in a new account.

Pre-award costs charged to a department account or other unrestricted account.

After review of account financial statements, expenditures determined to be not allowable/allocable to this account.

Other:

Why was this expense originally charged to the account being credited? \*

Please provide details of the transactions been transfered \*

Justify the cost transfer and its relation to the new account/project to be charged? \*

How should the expenditure be allocated between accounts/projects? \*

Please explain the percentage of expenditure to be moved (100%, 50%/50% or other).

**Note:** If this cost transfer pertains to salary adjustments, please include a copy of the approved payroll authorization that reflects this adjustment.

### Transfers Over 90 Days

Cost transfers must be prepared and submitted as soon as the need for a transfer is identified, within 90 days from which the transaction appears on the account. If, in the extreme case, a transfer over 90 days is required, more stringent federal guidelines apply. In addition to the explanation and justification for the transfer, a valid explanation of why the transfer is late is required. Transfers processed after 90 days require the approval of the Post Award Coordinator or his/her delegate at the Office of Sponsored Programs.

Is the transfer over 90 days? \*

Yes

No

Back-up information

**Note:** Please provide evidence with this request.

Additional comments

### Attestation & Certification

I certify that the Principal Investigator(s) of the award(s) where the charge(s) are being allocated to have reviewed and approved this cost transfer request.

Yes

Please contact the Principal Investigator of the award(s) where the charge(s) are being allocated to have them review and approve this request prior submission.

Sponsor Program Officer or His/Her Designee Approval

Approval Date

## APPENDIX E

### Invoicing and Federal Financial Requirements (FFR)

#### *Process for Generating Financial Reports, Invoices and Funds Request*

1. Log in UFIS financial system and select the option titled **Discoverer Viewer**
2. From the list of reports, select the report titled **UPR - Available Funds Report**. You will find different versions but all of them provide the same information.

Connect >

### Worksheet List

**Search**  
Type in a search string to find a specific workbook or result set. Use the drop-down menu to choose between Database and Scheduled Workbooks.

Search:

**Result List**

[Expand All](#) | [Collapse All](#)

Focus Name	Description
Discoverer Workbooks	
▶ A_Expenses5-33220	
▶ A_ExpensesPostAward	
▶ A_FundsDetailPostAward	Presenta el Presupuesto, Gastos, Obligaciones y Balance Disponible para la combinación de cuenta(s) indicada(s) de acuerdo al "Amount Type" solicitado: Year To Date Extended, Project To Date, Period To Date.(GL)
▶ A_FundsPostAward	Presenta el Presupuesto, Gastos, Obligaciones y Balance Disponible para la combinación de cuenta(s) indicada(s) de acuerdo al "Amount Type" solicitado: Year To Date Extended, Project To Date, Period To Date.(GL)

This report includes the balance sheets of Budget, Expenses, Obligations and available balance per item. Request summary ("SUMMARY", only includes expense items) and a detailed one that includes all the active and passive items (Detail Report). Complete the required parameters with the information corresponding to the project (s) and desired period. Select in the Amount Type, Project to Date for the report to collect all the data from the beginning of the project. Click on **GO**

File Edit View History Bookmarks Tools Help

Enter Parameters x https://sia.upr.edu/dbc&gv13=PROD x Oracle Applications R12 x +

https://sia.upr.edu/discoverer/app/open?event=openWorksheet&worksheetName=A\_UPR\_AVAILABLE\_FUNDS\_REPORT%2F1&stateStr=eNpNjltvgkAQhXSLybpHhYc

Most Visited Getting Started Free Hotmail Google Translate Portal Institutional Re... Portal Institutional Re... Portal Institutional Re... Suggest

ORACLE Discoverer Viewer Business Intelligence

Connect > Worksheets >

### A - UPR - Available Funds Report - UPR - Available Funds Report

Last run Wednesday, February 01, 2017 4:55:45 PM AST

Worksheets

UPR - Available Funds Report

#### Parameters Needed

Select values for the following parameters.

\* Indicates required field

- \* Fund Fund
- \* Proj Number Proj Number
- Function Low
- \* Encumbrance Type ALL
- \* Amount Type Project To Date
- \* Account Level SUMMARY
- \* Period SUMMARY, or DETAIL

Go

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About Oracle BI Discoverer Viewer Version 11.1.1.7.0  
Oracle Technology Network

Preferences | Exit | Help

- Once you obtain the report, you need to export it to Excel.
- Keep the copy of the original reports in one tab and make a copy in another to work with them and make the notes of adjustments, observations, etc. This copy will constitute the accountant's worksheet and the "support" of the report that will be submitted to the agency and the auditors. Exclude from the total of expenses (Codes 5000 to 9999) the codes 6303 Depreciation, 6306 loss for uncollectible accounts, 902X returns of balances, 92XX costs related to employee benefits and other reserves and others that are reserve items that do not constitute actual expenses of the draft. Keep the UFIS reports in the same workbook to facilitate the search and reference.
- Copy this report in another tab to calculate the indirect costs according to the rate and exclusions that apply to the project. You must evaluate the budget of the grant or contract to know the exclusions.
- Add to the total balances of the *Actual* column of the **Available Funds Report** the indirect costs pending to be accounted for (perform calculation) and the balance in code 2101 accounts payable to obtain the total disbursements of the project (see the following screenshot). Reports must be submitted in the same format so that they can be evaluated effectively and more quickly. Code 2108 is also considered in the applicable cases.

<b>Universidad de Puerto Rico University Financial Integrated System UPR - Available Funds Report Fund : '20231', Project : '201590350020', Encumbrance Type : 'ALL', AmtTyp : 'Project To Date', Account Level : 'SUMMARY', Period : 'JUN-20' 30-AUG-2020 05.48.57 AM</b> <b>PROJECT:201590350020 - LANDSCAPE PERSPECTIVE</b>					
Account 5-33533	OBJECT CODE	Budget	Encumbrance	Actual	Available
20231.005.000.5020.220.201590350020.00	5020 - Sueldos-Personal Docente	\$17,932.34	\$0.00	\$17,932.34	\$0.00
20231.005.000.5190.220.201590350020.00	5190 - Jornales a Estudiantes	\$2,600.00	\$0.00	\$0.00	\$2,600.00
20231.005.000.5200.220.201590350020.00	5200 - Aportaciones Patronales-Federales y Estatales	\$2,449.66	\$0.00	\$2,238.86	\$210.80
20231.005.000.6020.220.201590350020.00	6020 - Materiales	\$3,000.00	\$0.00	\$0.00	\$3,000.00
20231.005.000.6400.220.201590350020.00	6400 - Gastos de Viaje y Dietas en Misiones Oficiales	\$0.00	\$0.00	\$0.00	\$0.00
20231.005.000.8010.220.201590350020.00	8010 - Becas, Estipendios y Proyectos Especiales	\$12,600.00	\$0.00	\$8,000.00	\$4,600.00
<b>Total</b>		<b>\$38,582.00</b>	<b>\$0.00</b>	<b>\$28,171.20</b>	<b>\$10,410.80</b>
Sub-total of Expenses				\$ 28,171.20	
Indirect Costs Pending Adjustment				\$ -	
* Accounts Payable - 2101 (Must have negative balances)				\$ -	
Accounts Payable-Receipts - 2108 (Must have negative balances)				\$ -	
Total Expenses				\$ 28,171.20	
Accumulated Payment Requests				\$ 3,200.00	
<b>Total Expenses for the Period</b>				<b>\$ 24,971.20</b>	
Accumulated Payments Requests - 4331				\$ 3,200.00	
Allow for Recog Recv in Exc of Amt Billed-Fed G&C - 1391				\$ 35,382.00	
Total Funds Approved				\$ 38,582.00	
1581 - Travel Advances				\$ -	
1582 - Prepaid Expenses-Not Subject to Withholding Taxes				\$ -	
1584 - Travel Advances Reimbursement				\$ -	

7. To the total of disbursements of the project, the total ordered or invoiced to date will be subtracted to obtain the amount to be ordered or invoiced. You must download the **A - UPR - Funds Detail Report**, which provides all this data. It is recommended that you use formulas that read the data that the report provides. An example of a formula to obtain the data directly from the report:

=IF(SUMPRODUCT(SUMIF(A\_Detail!A:A,{"\*.2101\*"},A\_Detail!D:D))<0,SUMPRODUCT(SUMIF(A\_Detail!A:A,{"\*.2101\*"},A\_Detail!D:D)),0)

8. Perform and document the following balance sheet checks as reflected in the Available Funds Detail Report to validate the amount obtained as pending for billing:

<b>University of Puerto Rico University Financial Integrated System Financial Report Funds Detail Fund : '20231', Project : '201590350020', Encumbrance Type : 'ALL', AmtTyp : 'Project To Date', Period : 'JUN-20' 30-AUG-2020 05.50.51 AM</b> <b>PROJECT:201590350020 - LANDSCAPE PERSPECTIVE</b>					
Account	OBJECT CODE	Encumbrance	Actual		
20231.005.000.1111.220.201590350020.00	1111 - Cash-Deposits	\$0.00	\$3,200.00		
20231.005.000.1129.220.201590350020.00	1129 - Cash-Payables	\$0.00	\$0.00		
20231.005.000.1321.220.201590350020.00	1321 - Accts Rec-Grants/Award Approved	\$0.00	\$35,382.00	4331	(\$3,200.00)
20231.005.000.1322.220.201590350020.00	1322 - Accts Rec-Grants/Award Billed	\$0.00	\$0.00	1391	(\$35,382.00)
20231.005.000.1391.220.201590350020.00	1391 - Allow for Recog Recv in Exc of Amt Billed-Fed G&C	\$0.00	(\$35,382.00)	BUDGET	(\$38,582.00)
20231.005.000.2101.220.201590350020.00	2101 - Accounts Payable-Suppliers	\$0.00	\$0.00		
20231.005.000.4331.220.201590350020.00	4331 - Aportaciones de Agencias Federales	\$0.00	(\$3,200.00)	4331	(\$3,200.00)
20231.005.000.5031.220.201590350020.00	5031 - Sueldos Pers Docente Verano-Proy Especial y/o Investigación	\$0.00	\$17,932.34	1111	\$3,200.00
20231.005.000.5221.220.201590350020.00	5221 - Aportación Patronal Fondo Seguro Social-Federal	\$0.00	\$1,111.80		\$0.00
20231.005.000.5222.220.201590350020.00	5222 - Aportación Patronal Fondo Medicare-Federal	\$0.00	\$260.02		NO HAY INSUMOS
20231.005.000.5244.220.201590350020.00	5244 - Seguro por Desempleo-Estatal	\$0.00	\$615.98		
20231.005.000.5245.220.201590350020.00	5245 - Aport Seguro Acc del Trabajo e Incapacidad-Estatal	\$0.00	\$251.06		
20231.005.000.5997.220.201590350020.00	5997 - HRMS Organization Payroll Default Expense	\$0.00	\$0.00		
20231.005.000.8202.220.201590350020.00	8202 - Estipendios/Ayudantías Estud Graduados-Proy Espec	\$0.00	\$8,000.00		
20231.005.000.8203.220.201590350020.00	8203 - Estipendios/Ayudantías Estud Subgraduados-Proy Espec	\$0.00	\$0.00		
<b>Total</b>		<b>\$0.00</b>	<b>\$28,171.20</b>		

- a. The balance sheet in the income code accrued (43XX) must be equal to the total of the funds requested or invoiced to the different agencies or sponsoring entities with which they must be equal to the total of the payments disbursed by them. The balance sheet screens of the various sponsoring agencies or entities must be printed to verify that the amounts are equal. If different, the code (13XX) must be verified to determine whether the applicable account receivable was established for billing at the given time (1307, 1313, 1319, 1322, etc.).
- b. In turn, the total accrued income (43XX) must be equal to the total of cash deposits posted (code 1111). If there are differences, may be due to a return of unused funds or a payment of an invoice or request in the process of being received or registered by a Cash Receipt or an accounting record sheet (Hoja de Valor) if the payment is by check.
- c. The total accrued revenue (Code 43XX) plus the balance sheet reflected in the projects non-invoiced share reserve (139X) must be equal to the total approved budget. Similarly, the balance of the account receivable charge for the approved Award (1321) must be equal to the applicable reservation for the non-invoiced funds of the Award (139X- 1391 or 1392).

This verification will determine if the total approved budget has been allocated and if there are missing accounts receivable transactions or *Cash Receipts* to be posted.

9. If the funds request or billing is made by using an electronic system, it is recommended to include a screenshot of the award activity history to be compared with the balances in UFIS. They both should match with the same information.

#### **Process for reviewing transactions to be invoiced.**

10. Access to ***Discoverer Viewer***. - Go to DV

***A\_ExpensesPostAward***. This shows the transactions for the requested period for the account or group of accounts specified in the search parameters. This report has already been designed to collect the expense transactions (codes 5000 to 9999), exclude codes 6306 loss by uncollectable accounts, 6305-Depreciation, 92XX Costs Related to Employee Benefits and Other Reserves, and others that are reserve items that do not constitute actual project expenses. On the other hand, it also includes transactions related to accounts payable (codes 2101 and 2108) that are reflected as expenses in the system but for which the payment has not been made.

Within the available options, the **Project by Fund** report presents the total summary of transactions per project. The **Account by Project and Fund** option, on the other hand, presents the details of the transactions. Both reports must total the same.

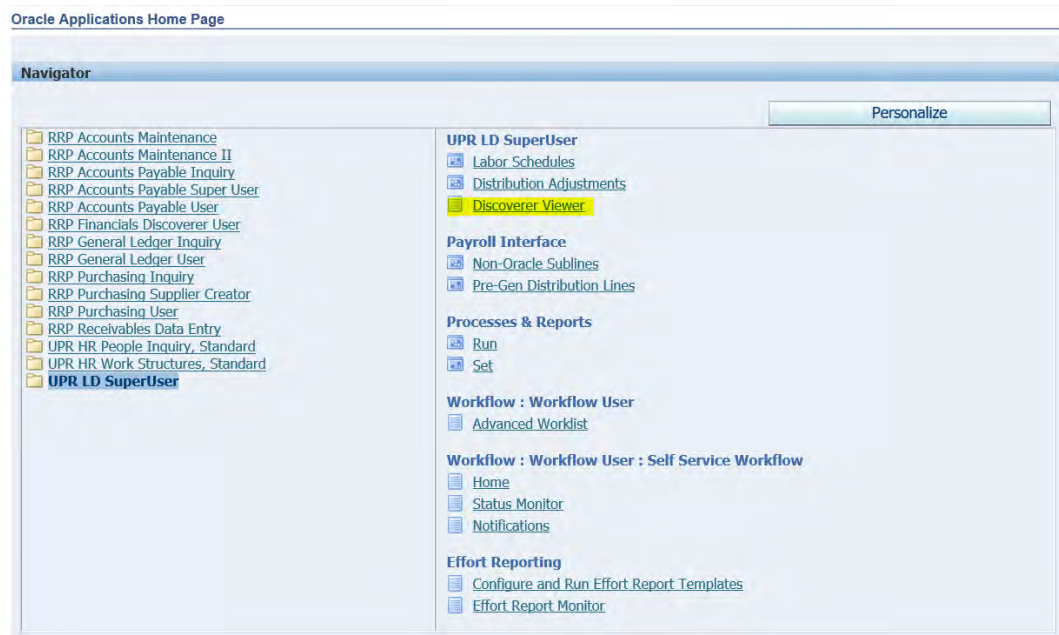
11. Complete the required parameters with the information corresponding to the desired project(s) and period. In this case, we must indicate the dates with the day, month and year and click GO.
12. Once the report is obtained, it is exported to Excel and copied to a workbook tab so that everything is in the same file.
13. Exclude from the detailed report of transactions, those that have already been reported or that do not correspond to the period to be invoiced. Manually add transactions that are in the process of posting (e.g. indirect costs, payroll adjustments, etc.)
14. The total detail of transactions must match the previously determined expenses to be invoiced.
15. Complete the report and/or invoice form as set out in the terms and conditions of the project.
16. Refer the report for review and approval by the supervisor and/or Post Award Coordinator if necessary.
17. If a hard copy of the invoice is required, it shall refer to the project manager for signature. In some cases, it will be signed directly by the Post Award Coordinator. For submission to the sponsoring agency or entity according to the instructions of the award.
18. If invoice is electronic, it will be registered on the platform that applies according to the terms and conditions of the award. The invoice will be refer to the supervisor for certification if necessary
19. Save a copy in the file of signed or approved documents and reports generated by electronic systems or screenshots. It is important that everything related to a report or invoice is in the same folder or file.
20. Record in the financial system the account receivable of the invoice submitted as well as the deposit of the payment once the funds are received, according to the procedures established for cash receipts and receivables. In the case of



payments issued by check, an accounting form (Hoja de Valor) must be completed and submitted to Oficina de Recaudaciones.

21. Payroll: In order to obtain a report detailing the charges related to the period to be invoice, it is necessary to generate the report: **UPR - LD Summary Distribution Report**, which is found under the **UPR LD SuperUser** menu.

- a. There are different options that adjust what you need to review or the information you are trying to obtain:
  - i. Summary Distribution Detail
  - ii. Summary Distribution By Account & Object (EBC440)
  - iii. Summary Distribution By Employee
  - iv. Summary Distribution By Location
  - v. Summary Distribution By GL Period Fiscal Year
  - vi. Summary Distribution By Account & GI Period



Revised and updated by:

Ana Feliciano - Post Award Coordinator, DEGI at Río Piedras Campus  
Iliana E. Daffra – Accountant, Post Award, DEGI at Río Piedras Campus  
March 1, 2021

## Appendix F

(To access the original form refer to the index and click *UPR Cost Reimbursement Research Subaward Agreement*)

<b>UPR Cost Reimbursement Research Subaward Agreement</b>							
Federal Awarding Agency:		Choose an item.					
<b>Pass Through Entity (PTE)</b>				<b>Subrecipient</b>			
Institution:	Click or tap here to enter text.			Subrecipient:	Click or tap here to enter text.		
PTE PI:	Click or tap here to enter text.			Subrecipient PI:	Click or tap here to enter text.		
PTE Award No.	Click or tap here to enter text.			Subaward No.:	Click or tap here to enter text.		
PTE Account No. <sup>1</sup>	Click or tap here to enter text.						
Project Title	Click or tap here to enter text.						
Subaward Project Period	Begin	Click or tap to enter a date.		End	Click or tap to enter a date.		
Amount Funded	Click or tap here to enter text.						
<ol style="list-style-type: none"> <li>1. PTE hereby awards a cost reimbursable subaward, as described above, to Subrecipient. The Statement of Work and budget for this Subaward are as shown in Attachment 6. In its performance of Subaward work, Subrecipient shall be an independent entity and not an employee or agent of PTE.</li> <li>2. Subrecipient shall submit invoices not more often than monthly and not less frequently than quarterly for allowable costs incurred. Upon the receipt of proper invoices duly certified by the University to the effect that those services are rendered to the satisfaction of the UNIVERSITY, the PTE agrees to process payments in accordance with this Subaward and 2 CFR 200.305. All invoices shall be submitted using Subrecipient's standard invoice, but at a minimum shall include current and cumulative costs (including cost sharing), subaward number, and certification, as required in 2 CFR 200.415(a). Invoices that do not reference PTE Subaward number shall be returned to Subrecipient. Invoices and questions concerning invoice receipt or payments shall be directed to the party's <b>Authorized Official</b> Contact, shown in Attachment 4A.</li> <li>3. A final statement of cumulative costs incurred, including cost sharing, marked "FINAL" must be submitted to PTE's <b>Authorized Official</b> Contact, as shown in Attachment 4A, not later than 60 days after the Subaward Project Period End Date. The final statement of costs shall constitute Subrecipient's final financial report.</li> <li>4. All payments shall be considered provisional and are subject to adjustment within the total estimated cost in the event such adjustment is necessary as a result of an adverse audit finding against the Subrecipient.</li> <li>5. Matters concerning the technical performance of this Subaward shall be directed to the appropriate party's Principal Investigator as shown in Attachments 4A and 4B. Technical reports are required as shown in Attachment 5.</li> <li>6. Matters concerning the request or negotiation of any changes in the terms, conditions, or amounts cited in this Subaward, and any changes requiring prior approval, shall be directed to the PTE's <b>Authorized Official</b> Contact and the Subrecipient's <b>Authorized Official</b>, as shown in Attachments 4A and 4B. Any such change made to this Subaward requires the written approval of each party's <b>Authorized Official</b>, as shown in Attachments 4A and 4B.</li> <li>7. The PTE may issue non-substantive changes to the Period of Performance and budget <b>Unilaterally</b>. Unilateral modification shall be considered valid 14 days after receipt unless otherwise indicated by Subrecipient when sent to Subrecipient's <b>Authorized Official</b> Contact, as shown in Attachment 4B.</li> <li>8. Each party shall be responsible for its negligent acts or omissions and the negligent acts or omissions of its employees, officers, or directors, to the extent allowed by law.</li> <li>9. Either party may terminate this Subaward with 30 days written notice. PTE notice shall be directed to the <b>Authorized Official</b> Contact, and the Subrecipient notice shall be directed to the <b>Authorized Official</b> Contact, as shown in Attachments 4A and 4B. PTE shall pay Subrecipient for termination costs as allowable under Uniform Guidance, 2 CFR 200, or 45 CFR Part 75 Appendix IX, as applicable.</li> <li>10. By signing this Subaward, including the attachments hereto which are hereby incorporated by reference, Subrecipient certifies that it will perform the Statement of Work in accordance with the terms and conditions of this Subaward and the applicable terms of the Federal Award, including the appropriate Research Terms and Conditions ("RTCs") of the Federal Awarding Agency, as referenced in Attachment 3. The parties further agree that they intend this Subaward to comply with all applicable laws, regulations, and requirements.</li> </ol>							
Authorized Official of the PTE:		Date		Authorized Official of the Subrecipient:		Date	
		6/30/2020				6/30/2020	
		<input type="checkbox"/> Legal Age				<input type="checkbox"/> Legal Age	
Name:	Click or tap here to enter text.			Name:	Click or tap here to enter text.		
Title:	Click or tap here to enter text.			Title:	Click or tap here to enter text.		
Marital Status:	Married	Resident of:	San Juan	Marital Status:	Married	Resident of:	San Juan
EIN	Click or tap here to enter text.			EIN:	Click or tap here to enter text.		

<sup>1</sup> The PTE (University of PR) reserves the right to change the account number during the term of the contract without prior notice to the Subrecipient.

			Subaward No.	<a href="#">Click or tap here to enter text.</a>
<p align="center"><b>Attachment 1</b>  <b>Code of Federal Regulations</b>  <b>Certifications and Assurances</b></p>				
<p><b>Certification Regarding Lobbying (2 CFR 200.450)</b>  By signing this Subaward, the Subrecipient Authorized Official certifies, to the best of his/her knowledge and belief, that no Federal appropriated funds have been paid or will be paid, by or on behalf of the Subrecipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement in accordance with 2 CFR 200.450. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or intending to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Subrecipient shall complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying," to the PTE.</p> <p>This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>				
<p><b>Debarment, Suspension, and Other Responsibility Matters (2 CFR 200.213 and 2 CFR 180)</b>  By signing this Subaward, the Subrecipient Authorized Official certifies, to the best of his/her knowledge and belief that neither the Subrecipient nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, in accordance with 2 CFR 200.213 and 2 CFR 180.</p>				
<p><b>Audit and Access to Records</b>  Per 2 CFR 200.501- 200.521, Subrecipient certifies that it will provide notice of any adverse findings which impact this Subaward and will provide access to records as required by parts 2 CFR 200.336, 200.337, and 200.201 as applicable. If Subrecipient is not subject to the Single Audit Act, then Subrecipient will provide notice of the completion of any required audits and provide access to such audits upon request.</p>				
<p><b>Program for Enhancement of Contractor Employee Protections (41 U.S.C 4712)</b>  Subrecipient is hereby notified that they are required to: inform their employees working on any federal award that they are subject to the whistleblower rights and remedies of the pilot program; inform their employees in writing of employee whistleblower protections under 41 U.S.C §4712 in the predominant native language of the workforce; and include such requirements in any agreement made with a subcontractor or subgrantee.</p> <p>The Subrecipient shall require that the language of the certifications above in this Attachment 1 be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.</p>				
<p><b>Use of Name</b>  Neither party shall use the other party's name, trademarks, or other logos in any publicity, advertising, or news release without the prior written approval of an authorized representative of that party. The parties agree that each party may use factual information regarding the existence and purpose of the relationship that is the subject of this Subaward for legitimate business purposes, to satisfy any reporting and funding obligations, or as required by applicable law or regulation without written permission from the other party. In any such statement, the relationship of the parties shall be accurately and appropriately described.</p>				
<p align="center"><b>SPACE INTENTIONALLY LEFT BLANK – NO MORE TEXT IN THE PAGE BELOW THIS LINE</b></p>				

			Subaward No.	Click or tap here to enter text.
<b>Attachment 2</b> Mandatory UPR contract clauses <sup>2</sup>				
<b>Independent Contractor Clause</b> The Subrecipient states and accepts that it is an independent contractor of the University of Puerto Rico, and that neither itself; its agents, partners, employees; or subcontractors are, or will, deemed themselves to be, or be considered, during the term of this Agreement employees of the University. This Agreement does not allow the subrecipient to claim any of the rights and prerogatives that under the existing laws and regulations are available to the regular employees of the University. The University of Puerto Rico is a public corporation of the Government of Puerto Rico created and authorized to subscribe this agreement by virtue of Law 1 of January 20, 1966.				
<b>Income Tax Compliance and Warning Clause:</b> The subrecipient certifies and guarantees that at the time of execution of this contract it has filed its tax returns for Income Tax, CRIM property tax, and if applicable for payment of the Sales and Use Tax (SUT), during each of the five (5) years prior to this contract, and that it does not owe taxes for any of such concept to the Commonwealth of Puerto Rico and the Revenue Processing Center; or if it has, that it is under a payment plan that is being fully complied with. It expressly recognizes that the absence of truth in this statement will constitute sufficient cause for the University to cancel this contract; in such case the subrecipient will have to reimburse the University any amount of money received under this contract. If applicable, the subrecipient will be responsible to require the subcontractors designated by it to affect this contract, to provide and certify the information required in this clause and, at the same time, notify this to the University. If this obligation is not complied, this will be sufficient cause for the University to have this contract cancelled.				
<b>Income Tax Clause and Social Security In: Withholding Warning Clause At Source Of Payments For Services Rendered By Corporations, Partnerships, Or Individuals According To Section 143 C Of The New Income Tax Law:</b> No withholding or reduction on its fee will be made to the subrecipient for Social Security payment.  If applicable, the University will hold on the payment to the subrecipient for services rendered, ten percent (10%) for residents of Puerto Rico, twenty percent (20%) for US citizens non-residents of Puerto Rico and 29% for non US Citizens non-residents of Puerto Rico, as amended in Section 1062 of the Internal Revenue Code of Puerto Rico, Law 1 of January 31, 2011 according to the approved regulations by the Secretary of the Treasury. The subrecipient is obliged, as a necessary condition to this contract, to submit the certifications, releases, and documents that accredit his contributive situation, required by the University or its representative. The subrecipient is responsible to render his income tax forms and to pay the corresponding fees to the Social Security and to the Department of Treasury for any taxable amount as a result of income earned from this contract. The University will notify the Treasury Department of Puerto Rico of payment and reimbursements made to the subrecipient.  Notice is given to the subrecipient, that when applicable and pursuant to Act 48 of June 30, 2013, the University must retain and deduct before payment is made one point five percent (1.5%) from all payments made to the subrecipient for the services render under this contract, as order by law and in accordance with the regulations approved by the Secretary of the Treasury.  Both parties agreed that this contract will also be subject to any applicable law or tax deduction that may be imposed in the future under the Tax Laws of the Commonwealth of Puerto Rico.  The subrecipient states that it has received and generated income subject to taxation by the Treasury Department of Puerto Rico during the last five years previous to this Agreement; thus, it has complied with its tax obligation with the Treasury Department of Puerto Rico during the last five years, and that based on that knowledge it believes that it does not owe taxes to the Commonwealth of Puerto Rico. The subrecipient accepts and agrees that it is solely responsible for the filing of its income tax forms and the payment of the corresponding fees to the Social Security Administration and to the Treasury Department for any taxable amount as a result of income earned from this Agreement. It is acknowledged that the University must notify the Commonwealth and federal Treasury Department of all payments and reimbursements made to the subrecipient under this agreement.  The subrecipient acknowledges that it is obliged, as a necessary condition to this Agreement, to submit the certifications, releases, and documents that evidence its tax status that may be required by the University or its representative. The subrecipient expressly recognizes that the foregoing is an essential condition of the present Agreement and that if the information herein provided is not correct, that would constitute in itself sufficient cause for the University to terminate this Agreement and for the subrecipient to reimburse the University any amount of the money collected in this agreement.				

<sup>2</sup> As a state owned entity, these clauses are required by the PTE (University of Puerto Rico, hereinafter referred to as "University") to appear in all contracts signed by it and which will apply as applicable.

**Ethics Act Clause:**

The subrecipient states that it knows of and has received copy of, Act. No. 1 January 3, 2012, known as Organic Law of Puerto Rico Government Ethic's Office and states, that to the best of its knowledge, that no employee or officer of the University has direct or indirect pecuniary interest in the granting of this agreement, pursuant to Law 1 of 2012. In the same way, the signatory to this Agreement for the University represents that he does not have any kind of pecuniary interest in realizing the same.

**Audit Document Preservation Clause:**

The subrecipient agrees to preserve all reports and other documents related with the services rendered under this Agreement and make them available, at no cost, to be examined by the Office of Internal Auditors of the University, or by any other governmental or regulatory agency with jurisdiction to audit the University under applicable law, according to the professional code of conduct and standards applicable to the profession of public accounting. Any audit of the work of the subrecipient under this Agreement will be performed in reasonable dates during the period of performance of its services or thereafter, and according to generally accepted actuarial practices. Those documents will be kept by the subrecipient for a period of no less than six (6) years or until an investigation by the Office of the Comptroller of Puerto Rico is performed, whatever happens first

**Liability Release Clause:**

The subrecipient will be responsible for and indemnify the University from and against any judicial and/or extra judicial claim by third parties arising out of any bodily injury or death of, or any physical damages to tangible property, of the University or any of its personnel, students, agents or contractors, to the extent such injury or damage results from the negligence or intentional misconduct of the subrecipient in the performance of the audit services hereunder. Such indemnity does not apply to intellectual property infringement claims asserted against the University or to any acts done by the University.

**Termination Clause:**

The University may terminate this Agreement by notifying the subrecipient thirty (30) days prior to the date of the termination. Cancellation of the subcontract prior to the planned expiration date will be reserved for exceptional situations in which cannot be handled any other way. It may occur when the recipient has failed to comply with the terms of this agreement or revocation of the grant award to the University by the federal agency.

Also, the University may immediately cancel the Agreement without previous notice when the subrecipient engages in an act of negligence, default or any other violation of any condition of the Agreement. In terminations under this clause it is agreed that the only recourse of the subrecipient will be the recovery of any fees owned for services rendered and accepted as satisfaction of the University up until the date the notice of termination is received.

**Certification Of No Violation Of Law Regarding Government Funds Or Property Certification Clause:**

The subrecipient certifies that it has not been convicted of any crime or violation of law against the national treasury, any legal authority or regarding state or federal government funds or property, pursuant to Puerto Rico Public Law number 2 of January 4, 2018. This condition is an essential condition for granting the present Agreement and if the certification turns out to be incorrect; in whole or in part, it shall be sufficient cause for the University to cancel it unilaterally and the subrecipient will have to reimburse all sums of money received under this Agreement to the University. This Agreement will be terminated if during its execution the subrecipient is found guilty of any violation of law against the national treasury, legal authority or regarding state or federal government funds or property.

**Non-Discrimination Clause:**

The subrecipient certifies that it will not discriminate in account of sex, age, race, color, sexual orientation and preference, national origin or social condition, physical or mental impairment, political or religious believes or veteran status in any employment contracting or subcontracting practices called for by this Agreement.

**Government Employment Certification Clause:**

The subrecipient certifies that it does not hold a regular or trusted position in any of the instrumentalities of the Commonwealth of Puerto Rico and that it does not receive payment or compensation for regular services rendered under appointment of professional services contract with any organism of the Commonwealth of Puerto Rico, except in those cases authorized by law. If the subrecipient certifies that it has an agreement with another organism or municipality of the Commonwealth of Puerto Rico, it guarantees that there is no incompatibility between both Agreements.

**Department of Labor Insurance Compliance Clause:**

The subrecipient certifies and guarantees that it is making, and will make, any payments related to unemployment insurance, SINOT, temporary disability, driver's insurance (if applicable), as required by the Department of Labor of the Commonwealth of Puerto Rico, and/or is under a payment plan that it is being fully complied with. It expressly recognizes that the absence of truth in this statement will constitute sufficient cause for the University to cancel this Agreement; in such case the subrecipient will have to reimburse the University any amount of money received under this Agreement.

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**Services Rendered Without A Contract Clause:**

Pursuant to the regulations which govern contracting within the University, the appearing parties in this Agreement, agree and accept that no services will be required, nor rendered without a duly authorized contract; or once the Agreement has expired, unless an amendment to the same is in force before at said time. The subrecipient agrees and accepts that no payments will be made for services rendered in violation of this clause. The subrecipient is hereby advised that any person or employee of THE UNIVERSITY who requires or accepts services in violation of this clause is acting without any legally binding authorization whatsoever.

**Conflict of Interest Clause:**

BOTH PARTIES agree that the signing of this agreement in no way limits or prevents from freely conducting its business with other parties; but nonetheless, the subrecipient acknowledges that it is expected that it will not enter into business relationships that may create a professional conflict of interest (under applicable professional standards) with its performance of services covered by this Agreement with the University.

In this regard, the subrecipient recognizes that in discharging its responsibilities under this Agreement, it has the duty of professional loyalty (under applicable professional standards) towards the University, which includes not having adverse interests to those of the University. These adverse interests include the knowing representation of clients that create professional conflicts of interest (under applicable professional standards) between the subrecipient, the University and such other clients. This obligation also includes the continuous responsibility to inform the University of the circumstances of relations with clients and third parties that may constitute any professional conflict of interest (under applicable professional requirements) with respect to the services performed under this Agreement.

The subrecipient has a conflict of interest whenever, in benefit of a client, it is the subrecipient duty to promote that which it should or must oppose in complying with its obligations to another client. It is also a conflict of interest when the subrecipient's conduct is described as such in the ethics regulations that apply to the subrecipient's business.

When executing in contracts, with partnerships or firms, it will constitute a violation of this prohibition that one of its partners, associates, or employees knowingly engages in the conduct herein proscribed. The subrecipient will avoid even the likelihood of the existence of conflict of interest. The subrecipient recognizes the supervisory power of the University in relation to the subrecipient to compliance with the prohibitions herein stated.

It is understood that if the University reasonably believes that a conflict of interest exists or have arisen, the University will notify its findings to the subrecipient, in writing, and its intention of ending the Agreement in a thirty (30) days period. In that period of time, the subrecipient can ask for a meeting to present its arguments towards the findings, which meeting will be granted in all cases. If this meeting is not requested during the period of time herein mentioned or the controversy is not satisfactorily resolved during the meeting this Agreement will be terminated.

**Anticorruption Code for The New Puerto Rico Clause:**

The subrecipient agrees and accepts to bind itself to the terms and conditions imposed by Puerto Rico Public Law Number 2 of January 4, 2018, known as the "Anticorruption Code for the New Puerto Rico"; that it knows and has a copy of the same, and that it will include in all of its invoices the following certification required by law:

"Under penalty of absolute nullity, I certify that no public servant of the University is a part to or has an interest in the profits or benefits resulting from the Agreement subject of this invoice, and to be a party to or have interest in the profits or benefits resulting from the Agreement, under this invoice, a prior dispensation has been issued. The sole consideration to furnish the contracted goods or services subject of the Agreement is the payment agreed upon with the authorized representative of the University. The amount that appears in the invoice is fair and correct. The work has been performed, the products have been delivered and the services rendered, and no payment has been received for them".

After this invoice, \_\_\_\_\_ hours are available to perform services from the total amount of \_\_\_\_\_ agreed by contract.

It is acknowledged by the subrecipient that no payments will be made, and no invoices will be processed unless the above stated certification is included in said invoice.

**Law 14/2004 Clause**

Pursuant to Puerto Rico Public Law Number 14 of January 8, 2004, the subrecipient agrees to use, when rendering its services and if available, items extracted, produced, assembled, bottled or distributed in Puerto Rico by companies or distribution representatives established in Puerto Rico.

**Law 127/2004 Clause:**

BOTH PARTIES agree and stipulate that pursuant to Puerto Rico Public Law number 127 of May 31, 2004 no work or payment under this contract may be claimed by either party until the contract has been submitted for recording to the Office of the Comptroller of Puerto Rico as required by Puerto Rico Public Law number 18 of October 30, 1975 as amended.

**Child and Elderly Support Payments**

If an employer, the subrecipient certifies and guarantees that it is in full compliance, as an Employer, in the retention of salaries as ordered by judicial and/or administrative orders issued by the Administration for the Sustenance of Minors (known by its Spanish acronym, ASUME), for the payment of Child support (pursuant to Article 30 of Puerto Rico Public Law 86 of 1994) or Elderly support payments (pursuant to Puerto Rico Public Law 3 of 2014); or that it does not have any obligation to retain salaries to provide Child support payments (pursuant to Article 30 of Puerto Rico Public Law 86 of 1994) or Elderly support payments (pursuant to Puerto Rico Public Law 3 of 2014); or if it has any obligation to provide the same, that it is not in default of any payment due, or if it is, that is under a payment plan that is being fully complied with. This condition is essential for granting the present Contract and if the preceding turns out to be incorrect, in whole or in part, it shall be sufficient cause for the University to cancel it unilaterally and the subrecipient will have to reimburse all sums of money received under this Contract to the University.

If an individual, the subrecipient certifies and guarantees that, at the time of signing this Agreement, there is no obligation under law to provide Child support payments (pursuant to Article 30 of Puerto Rico Public Law 86 of 1994) or Elderly support payments (pursuant to Puerto Rico Public Law 3 of 2014). The subrecipient certifies and guarantees that, if there is an obligation to provide the same, it is not in default of any payment due or, if in default, that there is an established payment plan which is being fully complied with. This condition is essential for granting the present Contract and if the preceding turns out to be incorrect, in whole or in part, it shall be sufficient cause for The University to unilaterally terminate this Agreement and the subrecipient shall reimburse all sums of money received under this Agreement to the University, along with an additional compensation for the damages suffered by the University.

**Compliance of Laws, Selection of Forum and Applicable Law Clause:**

The subrecipient is responsible for compliance with all laws and regulations of the Commonwealth of Puerto Rico and of the United States of America, as well as with the University of Puerto Rico Law and its regulations. Further, it acknowledges and accepts that this Agreement will be governed, construed and interpreted in accordance with the laws of the Commonwealth of Puerto Rico without regard to conflict of law principles, and submits to the jurisdiction and venue of the Court of First Instance of the Commonwealth of Puerto Rico sitting in the city of San Juan, Puerto Rico.

**Restriction on the Use of UPR Names and Logos**

The subrecipient will not use the name of the University of Puerto Rico nor of any of its academic or administrative units, the initials UPR, seal, logos, emblems or any distinctive trade mark of University of Puerto Rico or of any of its units, without the prior written express authorization of the University.

**Property Rights Clause:**

The subrecipient agrees that, for consideration that is acknowledged, any works of authorship commissioned or which results from the execution of the agreement (the "Works") shall be considered works made for hire as that term is defined under United States copyright law. To the extent that any such Work is not a work made for hire belonging to the UNIVERSITY OF PUERTO RICO, the subrecipient here by assigns and transfers to University of Puerto Rico all rights has or may acquire to all such Works agrees to sign and deliver to the University.

**Non-Assignment**

The subrecipient may not transfer or assign its rights under this contract without the prior written consent of the University.

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**Notices:**

Any notice or other communication to be given under this Agreement will be in writing and signed by or on behalf of the Party giving it and will be served by delivering it personally or sending it by registered airmail or fax to the address and to the attention of the relevant Party set out below (or such other address or fax number as may be notified in writing from time to time by the relevant Party to the other Party):

If to: Click or tap here to enter text.  
Attention: Click or tap here to enter text.  
Tel.: Click or tap here to enter text.  
Email: Click or tap here to enter text.

Any such notice will be deemed to have been received: (i) if delivered personally, at the time of delivery; (ii) in the case of registered airmail, five (5) Business Days (as hereinafter defined) from the date of posting; and (iii) in the case of fax, at the time of transmission provided that a transmission report is generated by the sending fax machine confirming that the fax was sent to the proper number and that all pages were successfully transmitted.

"Business Day means any day other than Saturday or Sunday or any other day on which either Party located at the address set forth above is authorized or required by law to remain closed."

**Totality and Entire Agreement:**

This document contains the entire agreement between the parties, and no modification or waiver of any of the terms hereof shall be valid unless in writing, and endorsed hereon, and signed by all parties. This agreement shall be binding upon the parties hereto, their personal representatives, assigns and successors in interest.

If any clause or provision of this agreement is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable under present or future laws effective during the term of this agreement, then and in that event, it is the intention of the parties hereto that the remainder of the same, shall not be affected thereby, and it is also the intention of the parties to this agreement that in lieu of each clause or provision that is illegal, invalid or unenforceable, there be added as a part of this agreement a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal.

BOTH PARTIES, state and acknowledge, that each of them has read and understood all of the terms and conditions of this Agreement and that they both have agreed to abide by them.

IN WITNESS thereof, the parties have duly executed this agreement on the place and date written below their signatures.

**Subcontracting Clause:**

The subrecipient shall not subcontract any of its responsibilities under this agreement without the University prior written approval. Prior to entering into a subcontract with a third party for specific services, for whom approval is required under this subsection, the subrecipient shall (i) give the University reasonable prior notice specifying the components of the services affected, the scope of the proposed subcontract, the identity and qualifications of the proposed subcontractor and the reasons for subcontracting the work in question and (ii) obtain University prior written approval of such subcontractor. The University reserves the right to approve, deny or request the replacement of any of them

**Multi-Annual Contract Clause:**

When the grant award is a multi-year award, the continuity of the contract will be subject to the availability of the funds in the corresponding fiscal years. Performance under the contract during the second and subsequent years of the contract is contingent upon the appropriation of funds.

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		Subaward No.	Click or tap here to enter text.
<h3 style="text-align: center;">Attachment 3</h3> <h4 style="text-align: center;">Federal Award Terms and Conditions</h4>			
<b>Required Data Elements:</b>			
<input type="checkbox"/>	The data elements required are incorporated in the Attached Federal Award	<input type="checkbox"/>	Research & Development
<input type="checkbox"/>			Subject to FFATA
<b>Federal Award Issue Date</b>	<b>FAIN</b>	<b>CFDA no.</b>	<b>CFDA Title</b>
Click or tap to enter a date.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
<b>Key Personnel Per NOA (comma separated)</b>		Click or tap here to enter text.	
<b>General Terms and Conditions:</b> By signing this Subaward, Subrecipient agrees to the following: <ol style="list-style-type: none"> <li>To abide by the conditions on activities and restrictions on expenditure of federal funds in appropriations acts that are applicable to this Subaward to the extent those restrictions are pertinent. This includes any recent legislation noted on the Federal Awarding Agency's website: Click or tap here to enter text.</li> <li>2 CFR 200</li> <li>The Federal Awarding Agency's grants policy guidance, including addenda in effect as of the beginning date of the period of performance or as amended found at: Click or tap here to enter text.</li> <li>Research Terms and Conditions, including any Federal Awarding Agency's Specific Requirements found at: Click or tap here to enter text. except for the following :             <ol style="list-style-type: none"> <li>No-cost extensions require the written approval of the PTE. Any requests for a no-cost extension shall be directed to the Administrative Contact shown in Attachment 4A, not less than 60 days prior to the desired effective date of the requested</li> <li>Any payment mechanisms and financial reporting requirements described in the applicable Federal Awarding Agency Terms and Conditions and Agency-Specific Requirements are replaced with Terms and Conditions (1) through (4) of this Subaward; and</li> <li>Any prior approvals are to be sought from the PTE and not the Federal Awarding Agency.</li> <li>Title to equipment as defined in 2 CFR 200.33 that is purchased or fabricated with research funds or Subrecipient cost sharing funds, as direct costs of the project or program, shall vest in the Subrecipient subject to the conditions specified in 2 CFR 200.313.</li> <li>Prior approval must be sought for a change in Subrecipient PI or change in Key Personnel (defined as listed on the NOA).</li> </ol> </li> <li>Treatment of program income: Additive</li> </ol>			
<b>Special Terms and Conditions:</b> <b>Copyrights:</b> Subrecipient grants to PTE an irrevocable, royalty-free, non-transferable, non-exclusive right and license to use, reproduce, make derivative works, display, and perform publicly any copyrights or copyrighted material (including any computer software and its documentation and/or databases) first developed and delivered under this Subaward solely for the purpose of and only to the extent required to meet PTE's obligations to the Federal Government under its PTE Federal Award.  Subrecipient grants to PTE the right to use any written progress reports and deliverables created under this Subaward solely for the purpose of and only to the extent required to meet PTE's obligations to the Federal Government under its Federal Award.  <b>Data Rights:</b> Subrecipient grants to PTE the right to use data created in the performance of this Subaward solely for the purpose of and only to the extent required to meet PTE's obligations to the Federal Government under its PTE Federal Award.			
<input type="checkbox"/>	<b>Data Sharing and Access (Check if applicable):</b> Subrecipient agrees to comply with the Federal Awarding Agency's data sharing and access requirements as reflected in the NOA (or in the special terms below) and the Data Management/Sharing Plan submitted to the Federal Awarding Agency and Attached		

**Promoting Objectivity in Research (COI):**

Subrecipient must designate herein which entity's Financial Conflicts of Interest policy (COI) will apply: **Subrecipient**

If applying its own COI policy, by execution of this Subaward, Subrecipient certifies that its policy complies with the requirements of the relevant Federal Awarding Agency.

Subrecipient shall report any financial conflict of interest to PTE's Administrative Representative or COI contact, as designated on Attachment 4A. Any financial conflicts of interest identified shall, when applicable, subsequently be reported to Federal Awarding Agency. Such report shall be made before expenditure of funds authorized in this Subaward and within 45 days of any subsequently identified COI.

**Work Involving Human or Vertebrate Animals (Select Applicable Options)**

<input type="checkbox"/>	Human Subjects	<input type="checkbox"/>	Vertebrate Animals	<input type="checkbox"/>	No Human or Vertebrate Animals
--------------------------	----------------	--------------------------	--------------------	--------------------------	--------------------------------

Subrecipient agrees that any non-exempt human and/or vertebrate animal research protocol conducted under this Subaward shall be reviewed and approved by its Institutional Review Board (IRB) and/or its Institutional Animal Care and Use Committee (IACUC), as applicable and that it will maintain current and duly approved research protocols for all periods of the Subaward involving human and/or vertebrate animal research. Subrecipient certifies that its IRB and/or IACUC are in full compliance with applicable state and federal laws and regulations. The Subrecipient certifies that any submitted IRB / IACUC approval represents a valid, approved protocol that is entirely consistent with the Project associated with this Subaward. In no event shall Subrecipient invoice or be reimbursed for any human or vertebrate animals related expenses incurred in a period where any applicable IRB / IACUC approval is not properly in place.

<input type="checkbox"/>	<b>Additional Terms:</b>
--------------------------	--------------------------

Click or tap here to enter text.

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		Subaward No.		Click or tap here to enter text.	
<p align="center"><b>Attachment 4A</b> Pass Through Entity (PTE) Contacts</p>					
<b>PTE Information:</b>					
Entity Name:		Click or tap here to enter text.			
Legal Address		Click or tap here to enter text.			
Website:		Click or tap here to enter text.			
<b>PTE Contacts:</b>					
Central Email		Click or tap here to enter text.			
PI Name:		Click or tap here to enter text.			
	Email:	Click or tap here to enter text.		Tel no.:	Click or tap here to enter text.
Administrative Contact Name		Click or tap here to enter text.			
	Email:	Click or tap here to enter text.		Tel no.:	Click or tap here to enter text.
Financial Contact Name		Click or tap here to enter text.			
	Email:	Click or tap here to enter text.		Tel no.:	Click or tap here to enter text.
Authorized Official Name		Click or tap here to enter text.			
	Email:	Click or tap here to enter text.		Tel no.:	Click or tap here to enter text.
PI Address:		Click or tap here to enter text.			
Administrative Address:		Click or tap here to enter text.			
Invoice Address:		Click or tap here to enter text.			
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		Subaward No.	Click or tap here to enter text.	
<b>Attachment 4B</b> Subrecipients Contacts				
<b>Subrecipient Information for FFATA reporting:</b>				
Entity DUN's Name:		Click or tap here to enter text.		
Institution Type	Click or tap here to enter text.			
DUNS No.	Click or tap here to enter text.	Registered in SAM.gov?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Parent DUNS No.	Click or tap here to enter text.	Exempt from reporting Executive Compensation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Legal Address	Click or tap here to enter text.			
Website:	Click or tap here to enter text.			
<b>Subrecipient Contacts:</b>				
Central Email	Click or tap here to enter text.			
Website	Click or tap here to enter text.			
PI Name:	Click or tap here to enter text.			
	Email:	Click or tap here to enter text.	Tel no.:	Click or tap here to enter text.
Administrative Contact Name	Click or tap here to enter text.			
	Email:	Click or tap here to enter text.	Tel no.:	Click or tap here to enter text.
Financial Contact Name	Click or tap here to enter text.			
	Email:	Click or tap here to enter text.	Tel no.:	Click or tap here to enter text.
Authorized Official Name	Click or tap here to enter text.			
	Email:	Click or tap here to enter text.	Tel no.:	Click or tap here to enter text.
Legal Address:	Click or tap here to enter text.			
Administrative Address:	Click or tap here to enter text.			
Payment Address:	Click or tap here to enter text.			
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		Subaward No.	Click or tap here to enter text.
<p align="center"><b>Attachment 4B-2</b></p> <p align="center">Subrecipients Highest Compensated Officers</p>			
<b>Subrecipient</b>			
Institution Name:	Click or tap here to enter text.		
PI Name:	Click or tap here to enter text.		
<b>Highest Compensated Officers</b>			
<p>The names and total compensation of the five most highly compensated officers of the entity(ies) must be listed if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. See FFATA § 2(b)(1) Internal Revenue Code of 1986.</p>			
Officer 1 Name:	Click or tap here to enter text.	Compensation	Click or tap here to enter text.
Officer 2 Name:	Click or tap here to enter text.	Compensation	Click or tap here to enter text.
Officer 3 Name:	Click or tap here to enter text.	Compensation	Click or tap here to enter text.
Officer 4 Name:	Click or tap here to enter text.	Compensation	Click or tap here to enter text.
Officer 5 Name:	Click or tap here to enter text.	Compensation	Click or tap here to enter text.
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		Subaward No.	Click or tap here to enter text.
<h2 style="text-align: center;">Attachment 5</h2> <h3 style="text-align: center;">Reporting and Prior Approval Terms</h3>			
<b>Technical Reports:</b>			
<input type="checkbox"/>	Monthly technical/progress reports will be submitted to the PTE's Authorized Official within Click or tap here to enter text. days of the end of the month.		
<input type="checkbox"/>	Quarterly technical/progress reports will be submitted to the PTE's Authorized Official within Click or tap here to enter text. days of the end of the quarter.		
<input type="checkbox"/>	Annually technical/progress reports will be submitted to the PTE's Authorized Official within Click or tap here to enter text. days of the end of the project year. Such report shall also include a detailed budget for the next Budget Period, updated other support for key personnel, certification of appropriate education in the conduct of human subject research of any new key personnel, and annual IRB or IACUC approval, if applicable.		
<input type="checkbox"/>	A final technical/progress reports will be submitted to the PTE's Authorized Official within Click or tap here to enter text. days of the end of the project period.		
<input type="checkbox"/>	Technical/progress reports of the project as may be required by the PTE's Authorized Official in order for the PTE to satisfy its reporting obligations to the Federal Awarding Agency.		
<b>Prior Approvals:</b>			
Click or tap here to enter text.			
<b>Other Reports:</b>			
<input type="checkbox"/>	In accordance with 37 CFR 401.14, Subrecipient agrees to notify PTE's Click or tap here to enter text. days after Subrecipient's inventor discloses invention(s) in writing to Subrecipient's personnel responsible for patent matters. The Subrecipient will submit a final invention report using Federal Awarding Agency specific forms to the PTE's within 60 days of the end of the Project Period to be included as part of the PTE's final invention report to the Federal Awarding Agency.  A negative report is required: Choose an item.		
<input type="checkbox"/>	Property Inventory Report (only when required by Federal Awarding Agency), specific requirements below.		
<b>Other Special Reporting Requirements:</b>			
Click or tap here to enter text.			
<div style="text-align: center; border: 1px solid black; padding: 5px;"> <b>SPACE INTENTIONALLY LEFT BLANK – NO MORE TEXT IN THE PAGE BELOW THIS LINE</b> </div>			

		Subaward No.	Click or tap here to enter text.
<h2 style="text-align: center;">Attachment 6</h2> <h3 style="text-align: center;">Statement of Work, Cost Sharing, Indirect Costs &amp; Budget</h3>			
<b>Statement of Work:</b> <input type="checkbox"/> Below <input type="checkbox"/> Attached			
Click or tap here to enter text.			
<b>Budget Information:</b>			
Indirect Cost Rate	Click or tap here to enter text.	Cost Sharing (enter \$0 if none)	Click or tap here to enter text.
Rate Type	Modified Total Direct Cost		
<b>Budget Totals (attach the detailed budget):</b>			
Total Direct	Click or tap here to enter text.		
Total Indirect	Click or tap here to enter text.		
Total Budget	Click or tap here to enter text.		
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		Subaward No.	Click or tap here to enter text.
<b>Attachment 7</b>			
Notice of Award (NOA), proposal and any additional documents			
<input type="checkbox"/>	Notice of Award		
<input type="checkbox"/>	Approved Project Proposal (complete proposal)		
<input type="checkbox"/>	Subaward Statement of Work (SOW)		
<input type="checkbox"/>	Budget		
<input type="checkbox"/>	Budget Justification		
<input type="checkbox"/>	Other Additional documents		
Click or tap here to enter text.			
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## APPENDIX G

June 2, 2016

Central  
Administration  
University of  
Puerto Rico

SERIAL ORCI-2016-01

FEDERAL GRANTS MANAGEMENT UNITS AND OFFICES, GRANTS MANAGERS AND  
ANY OTHER RELATED PERSONNEL



Carlos Rodríguez Rivera  
Director

### **UNIVERSITY OF PUERTO RICO RISK MANAGEMENT PROCEDURES FOR FEDERAL GRANTS SUBAWARDS**

Certification No. 2 CFR Part 200 establishes the uniform administrative requirements, cost principles, and audit requirements for federal awards. These are to be fulfilled for financial management systems, procurement, reports and records, and grant closeouts for non-federal entities. The requirements also include responsibilities of federal awarding agencies and pass-through entities in awarding, monitoring, and closing out of grant awards.

Vice Presidency  
for Research  
and Technology

Regarding risk monitoring of subawards, the 2 CFR 200, section 200.331 (6)(b) indicates the following need:

Office for  
Research  
Compliance  
and Integrity

*"Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraph (e) of this section, which may include consideration of such factors as..."*

Also, section 200.331(6)(e) of the Certification provides:

*"Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals..."*

In accordance, the Office of Research Compliance and Integrity, of the Vice Presidency for Research and Technology, has developed the enclosed procedures so as to comply with the mandated review and risk management concerning subawards of federal grants where the UPR is the prime recipient.

Please contact the Office of Research Compliance and Integrity for questions and further information about these procedures.

Regards.

sdr

Enclosures

c. Dr. Uroyoán R. Walker Ramos  
Dr. José A. Lasalde Dominicci  
Chancellors

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1187 Calle Flamboyán  
San Juan, Puerto Rico  
00926-1117

Tel (787) 765-8767  
Fax (787) 751-7378





# Subrecipient Monitoring Guide

The University of Puerto Rico (UPR) is responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of federal sponsor funds in accordance of the; 2 CFR Part 200 requirements. This guide is designed for subawards that are subject to federal and/or agency-specific regulations established by the federal prime sponsor.

The Office of Research Compliance and Integrity provides the following collection of documents to assist administrators at the responsible offices and central level with subrecipient monitoring. The use of these tools and scope of monitoring procedures should be determined by the PI and administrators based on the nature of the grant and the perceived risk associated with the subrecipient. All of the following forms represents a minimum requirement to handle risks associated with a subrecipient; however, additional monitoring efforts should always be implemented if there is any question about the subrecipient's ability to ensure proper use and financial management of sponsor funds during any stage of the award.

Information related to the recommended use of each form is found in the document's page header. The University of Puerto Rico Subrecipient Monitoring Guide includes the following documents, by award stages:

**I. Initial Award Stage Monitoring:**

- Subrecipient Profile Questionnaire
- Subrecipient Risk Assessment Evaluation Form
- Subrecipient Monitoring Plans

**II. Ongoing Monitoring:**

- Invoice Monitoring Guide
- Subrecipient Monitoring Record

**III. Subaward Closeout**



# Stages of Subrecipient Monitoring

## I. Initial Award Stage

The initial award stage includes proposal through award set-up. The goal of subrecipient monitoring efforts at this stage is to ensure that the subrecipient is capable of **compliantly spending the federal funds** and meeting the project goals.

**Compliantly performing a risk assessment:** A risk assessment should be performed to assess the potential risk level of a subrecipient. This step is especially helpful for subrecipients with whom the UPR has had no previous experience. A questionnaire relating to the organization's financial and management strength can be completed internally or by the subrecipient.

### Useful tools:

- Subrecipient Profile Questionnaire
- Subrecipient Risk Assessment Evaluation Form

**Developing a monitoring plan:** The results of the risk assessment should be used to determine the frequency and scope of subrecipient monitoring. The monitoring plan should include strategies to mitigate potential risks of non-compliance.

### Useful tools:

- Subrecipient Monitoring Plans

## II. Ongoing Monitoring

Ongoing monitoring includes activities undertaken to monitor the subrecipient's administration, billing and scientific progress as well as on-going risk assessments (i.e. review of annual audit findings).

**Communication with subrecipient:** Frequent communication between the PI, responsible offices staff and research administrators at UPR and the subrecipient institution is essential to ensure a compliant and successful collaboration. A letter and/or sample invoice that outlines UPR's business practices and expectations can be sent to the subrecipient with new awards.

**Invoices:** Attests that the charges appear reasonable and progress to date for the project. To ensure proper use of sponsor funds, the invoices must be monitored for completeness.

**Record of subrecipient monitoring efforts:** Best practice dictates documenting all efforts related to subrecipient monitoring, especially if there are issues such as late billing or communication difficulty.

### Useful tools:

- Invoice Monitoring Guide
- Subrecipient Monitoring Record

### **III. Subaward Closeout**

Award closeout includes activities related to ensuring that the work was performed and properly billed. At the end of the award, the responsible office had the responsibility to ensure that all documentation related to project performance and financial obligations are received. Subrecipient monitoring activities that should be performed at award closeout include verifying final invoice and reviewing all technical/financial reports to ensure that the subrecipient provided all project deliverables and met project obligations.

# Subrecipient Profile Questionnaire



**How to use:** The questionnaire is used to help determine a subrecipient organization's financial and management strength, which helps assess risk and dictates the monitoring plan for subrecipients. The questionnaire can be completed by the subrecipient or by the UPR responsible office before an agreement is made with the subrecipient. Questions may be omitted or added to obtain information most useful for developing a monitoring plan.

**Fill out the information below, as appropriate or verify the information below and make corrections or additions as needed.**

## 1. Complete address and contact information:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_  
Zip Code: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
URL: \_\_\_\_\_

## 2. Company Information:

Incorporated in: \_\_\_\_\_  
Incorporated Date: \_\_\_\_\_  
Number of Employees: \_\_\_\_\_  
EIN  
(Employee ID Number): \_\_\_\_\_  
DUNS Number: \_\_\_\_\_  
Register on PR GSA?\* \_\_\_\_\_ Yes \_\_\_\_\_ No

\*Puerto Rico General Service Administration

## 3. Type of organization (check one):

<input type="checkbox"/> Federal Government	<input type="checkbox"/> Higher Education Institution
<input type="checkbox"/> State Agencies	<input type="checkbox"/> Non-Profit Organization
<input type="checkbox"/> Municipalities	<input type="checkbox"/> Corporation / Private
<input type="checkbox"/> Foreign Government	<input type="checkbox"/> Foundation

**5. Organization classification: (Select all that apply)**

- |   |   |
|---|---|
| <input type="checkbox"/> Community College    | <input type="checkbox"/> Large Business               |
| <input type="checkbox"/> Research Intensive   | <input type="checkbox"/> Small Business               |
| <input type="checkbox"/> Minority Institution | <input type="checkbox"/> Woman-Owned                  |
| <input type="checkbox"/> Tribal               | <input type="checkbox"/> Volunteer Organization       |
| <input type="checkbox"/> Veteran-Owned        | <input type="checkbox"/> Small Disadvantaged Business |
| <input type="checkbox"/> Other: _____         |   |

**4. Fiscal year (month and day):**

Month Day

Start on: \_\_\_\_\_ / \_\_\_\_\_

End on: \_\_\_\_\_ / \_\_\_\_\_

**6. Name of designated federal cognizant agency, if applicable:**

**7. Negotiated Federal Facilities and Administrative rate (Indirect Cost Rate):**

\_\_\_\_\_ Yes \_\_\_\_\_ No

*If yes, please attach a copy of your current rate agreement or provide the URL. If not, please provide the documentation to substantiate the proposed rate (i.e., breakdown of rate components).*

**8. Required to comply with the 2 cfr 200, Subpart F-Audit Requirements:**

\_\_\_\_\_ Yes\* \_\_\_\_\_ No

\* If Yes, please provide a copy or link

Audit Contact Name and Title: \_\_\_\_\_

Auditee Name Filed Under: \_\_\_\_\_

*(exact legal name under which your audit report is filed in the Federal Audit Clearinghouse Internet site at <http://harvester.census.gov/sac/>)*

EIN (Employer ID Number) Filed Under: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

**NOTE: answer questions 9 - 13 only if answer to questions 7 or 8 is "No"**

**9. Have annual financial statements been audited by an independent audit firm? If yes, provide an electronic copy of the statements for the most current fiscal year.**

\_\_\_\_\_ Yes \_\_\_\_\_ No

**10. Does the organization have a financial management system that provides records that can identify the source and application of funds for award-supported activities?**

\_\_\_\_\_ Yes \_\_\_\_\_ No

**11. Does the financial system provide for the control and accountability of project funds, property, and other assets?**

\_\_\_\_\_ Yes \_\_\_\_\_ No

**12. Do policies exist that address:**

Pay rates and Benefits? [ ] Yes [ ] No

Time and Effort? [ ] Yes [ ] No

Leave or absence? [ ] Yes [ ] No

Discrimination? [ ] Yes [ ] No

Conflicts of Interest in Research? [ ] Yes [ ] No

Travel? [ ] Yes [ ] No

Purchasing? [ ] Yes [ ] No

**13. Contact information:**

a. Contact for Fiscal Information:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

b. Contact for Scientific Information:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



# Subrecipient Risk Assessment Evaluation Form

**How to use:** The Subrecipient Risk Assessment Evaluation Form is used by responsible offices to assess the level of risk posed by the subrecipient. If the UPR is issuing a subaward to an organization with whom the University has no previous relationship, it is advised to perform a risk assessment at the pre-award stage to determine if a monitoring plan is needed.

## **Subrecipient Risk Assessment Evaluation Form – Guidance Document**

The purpose of this document is to provide an overview of using the University of Puerto Rico Risk Assessment Evaluation Form and the intent behind some of the questions. The form focuses on federal and federal flow-through funds and should not be used for external funds other than that. It is a tool to assist a flow-through entity (PTE) with determining the risk of a subrecipient, and should not be recycled as a questionnaire to send to a subrecipient to complete.

The form is organized into four separate sections: Threshold Questions, Other Considerations, Institutional Questions, and Project Specific Questions.

The Institutional Questions and the Project Questions are scored independently.

### **Threshold Questions**

These questions are intended to quickly identify the highest risk candidates: debarred or suspended, lack of COI policy, and the existence or not of an established accounting system, and acceptable procurement system. "Yes" to answers 1 through 3, and "No" to answers 4 to 7 should prompt your institution to carefully evaluate its ability to issue and successfully manage a project with that subrecipient. If the subrecipient is identified as debarred or suspended, on the SAM system, and the UPR still need to make an agreement with this specific subrecipient, then it is required to obtain prior approval from the prime sponsor.

### **Other Considerations**

These questions are intended to assess risk that may or may not result in additional language in the subaward.

### **Institutional (Subrecipient) Questions (Scored)**

These questions focus on institutional characteristics of the subrecipient and are independently scored. For institutions that receive \$750,000 or more in federal funds, this institutional score should be static during the year, but may change after their single audit has been completed. For institutions under the \$750,000 threshold, this number may change during the year. Some of these questions are similar to those in other sections. For example, the question related to COI in this section is trying to evaluate the institution's experience with COI, not just if they have a compliant policy (where compliant policy may depend on the sponsor/specific project).

### **Project Questions (Scored)**

These questions focus on the characteristics of the project and are independently scored. Again, some are similar to prior questions. For example, Question #6, on Project Specific Questions section, related to place of performance is trying to evaluate the risk of a project being awarded to a domestic



institution, but where the research may be performed in a foreign country, or where the work is being performed outside of their institution.

**Scoring Methodology**

A subaward with another UPR campus or unit should be considered as low risk. Also a subaward may be considered as low risk if it receives an institutional score of at most 9, a project score of at most 13, or a combination total of institutional and project score below 26. An institutional score over 9, a project score over 13, or total combined score equal or above 26 constitute a high risk subaward.



# Subrecipient Risk Assessment Evaluation Form

UPR Form Handling Information:		
Completed by:	Office	Date (mm/dd/yyyy)

## Institution/Organization ("Subrecipient") Information:

Name: \_\_\_\_\_

UFIS Project Number: \_\_\_\_\_

Prime Sponsor: \_\_\_\_\_

Project Title: \_\_\_\_\_

CFDA Number: \_\_\_\_\_

DUNS: \_\_\_\_\_

FAC EIN: \_\_\_\_\_

## I. Threshold Questions (not scored)

**SAM questions (If yes to 1, 2, or 3, consider alternative to initiating agreement)**

**1. Is the Subrecipient institution currently debarred or suspended?**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**2. Is the Subrecipient institution's PI presently debarred or suspended?**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**3. Does the Subrecipient indicate or display in SAM with "delinquent federal debt"?**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

*(If no to 4, 5, 6 or 7, consider alternative to initiating agreement)*

**4. If the sponsor requires a Conflict of Interest Policy, does the Subrecipient have a compliant policy in place?**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**5. Does the Subrecipient have an acceptable accounting system?**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**6. Does the Subrecipient have an acceptable procurement system?**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**7. If required, has the Subrecipient completed an audit under A-133 or the Uniform Guidance for the most recent fiscal year?**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**II. Other Considerations (Use this section to enhance risk management plan)**

**1. Does the project include work covered by ITAR or EAR (at Subrecipient, or Subrecipient accessing ITAR/EAR work done at Prime Institution)?**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**2. Is there a potential or identified conflict of interest? (If yes, include mitigation plan and supporting documentation)**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**3. Is cost-share required or included?**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**4. Is participant support included in the Subrecipient's budget?**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**5. Does the Subrecipient have adequate experience receiving same or similar federal awards?**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**III. Institutional Questions**

**Score**

**1. Is the Subrecipient institution foreign or domestic?**

a. Subrecipient is a U.S. based institution

0

b. Subrecipient is a foreign location with stable government and financial systems

3

c. Subrecipient is a foreign location with unstable government or financial systems

6

d. Subrecipient is in a restricted foreign location

9

**2. What is the Subrecipient Organization type?**

a. University

0

b. Other non-profit

4

c. Industry

6

<b>3. Does the Subrecipient have a Negotiated (F&amp;A) Indirect Cost Rate Agreement?</b>	
<input type="checkbox"/> Yes	0
<input type="checkbox"/> No	3
<b>4. Were the results of the most recent audit under A-133/the Uniform Guidance (or similar)</b>	
a. Yes, audit is clean (no findings) or no relevant findings	0
b. A-133/UG audit has findings but no significant deficiencies or material weaknesses	1
c. A-133/UG audit has qualified or adverse opinions.	4
d. No A-133/UG audit, but has alternative recurring annual audit with no relevant findings	1
e. No A-133/UG audit, but successfully completed an audit or major review by a federal agency	2
f. No A-133/UG audit, but has alternative recurring annual audit with relevant findings	6
g. No audit	6
<b>5. Is the Subrecipient Institution mature?</b>	
a. Subrecipient experience 10+ years	0
b. Subrecipient experience 5-9 years	2
c. Subrecipient experience 1-4 years	4
d. Subrecipient is start-up (less than 1 year)	6
<b>6. Does the Subrecipient Institution have experience with determining conflicts of interest (evidence of an acceptable Conflict of Interest Policy)?</b>	
<input type="checkbox"/> Yes	0
<input type="checkbox"/> No	6
<b>Institutional subtotal</b>	
<b>IV. Project Specific Questions</b>	
<b>1. What is the Prime Award type?</b>	
a. Grant	0
b. Contract	6
<b>2. Amount of Outgoing Funds?</b>	
a. Outgoing Funds > \$650,000	3
b. Outgoing Funds \$150,000 – \$649,999	2
c. Outgoing Funds \$25,000 - \$149,999	1
d. Outgoing Funds \$1 - \$24,999	0

<b>3. What is the percentage of the Prime Award being subcontracted (specific to this Subrecipient-not total)?</b>	
a. 0-24%	0
b. 25-49%	3
c. 50% +	9
<b>4. Does the work include Human Subjects, Animal Subjects or Embryonic stem cells?</b>	
a. No	0
b. Human or Animal Subjects approved by Subrecipient IRB or IACUC	1
c. Embryonic stem cells	4
d. Sponsor must approve	6
e. Subrecipient using Prime Recipient's IRB or IACUC	9
<b>5. Scope of Work/Deliverables</b>	
a. The Subrecipient will only submit progress reports	0
b. The Subrecipient is responsible for tangible products	1
c. The UPR's PI's work is dependent upon Subrecipient's work	3
d. The UPR's work is dependent upon Subrecipient's work and continuation funding for UPR's is tied to performance.	6
<b>6. Where is the Place of Performance?</b>	
a. All work will be performed at the Subrecipient's Institution	0
b. Some work will be performed at the PTE's Institution	4
c. All work will be performed at the PTE's Institution	6
<b>Project subtotal</b> _____	
<b>Grand total (Institutional + Project subtotals)</b> _____	



# Invoice Monitoring Guide

**How to use:** This guide is a list of 10 questions for responsible offices to consider when monitoring invoices for completeness and compliance with UPR's policies.

**NOTE:** Using the guidance provided in the Subrecipient Risk Assessment Evaluation Form, determine which monitoring plan to follow for each subrecipient.

## Subrecipient Monitoring Plans

**How to use:** The monitoring plans give suggested examples of subrecipient monitoring plans for responsible offices to implement based on a subrecipient's perceived riskiness. The Risk Assessment Matrix is used in tandem to help determine the potential riskiness of an organization. If the risk assessment reveals a high potential for financial risk, the responsible office should develop a proposed risk mitigation strategy where the frequency and monitoring strategies are based upon the specific organization and the nature of the scope of work to be completed by the subrecipient.



1. Review audit reports through the Federal Clearinghouse
2. If findings exist in the subrecipient's audit report, determine how material they are and the risk(s) involved (operational, financial or compliance risks)
3. Review invoices frequently to ensure:
  - Timeliness, completeness and accuracy
  - Science is in line with spending
  - PI approval states "okay to pay"
4. Work is performed within the period of performance
5. Compliance with special terms (if applicable)



**Review all steps in the "Lower Risk" category in addition to the following:**

1. Exercise your right to audit or consider performing a site visit or desk review
2. Request supporting detail for all financial invoices and expenses
3. Request and review financial reports more frequently
4. Request regular contact and communication with the PI
5. Document conversations and retain pertinent emails
6. Withhold payments if necessary
7. Elevate potential risks to the Office of Compliance Research and Integrity for review and discussion.



# Guide for review of subaward invoices

Are the expenses allowable per the subaward and the prime award? Remember the prime award requirements and budget restrictions flow down to the sub-recipient.

Are the invoiced expenses included in the subaward budget? The subrecipient should only invoice for approved expenses per the subaward or ask for approval of budget changes when necessary to modify the original terms/budget.

Are the expenses in the agreement consistent with the programmatic plan or work completed to date? The expenses invoiced should agree with the work incurred.

Did the PI sign the invoice approving it for payment?

Were all the expenses incurred within the subaward start and end dates? Ensure that the dates on the invoice are within the subaward dates.

Are the cumulative expenses within the overall approved budget amount? Ensure that subrecipients are **not** invoicing for amounts **over** the approved budget.

Are the invoice expenses per budget category in agreement with the budgeted amount per line item category?

Do expenses appear to be based on actual expenses? Cost reimbursable subcontracts require invoicing **based on actual expenses only**.

Is the invoice total correct?

Are the Facilities & Administration (F&A) costs calculated correctly with the correct and agreed upon rate for the subrecipient? Ensure the calculated F&A agrees with the methodology in the budget and only includes Modified Total Direct Cost (MTDC) base expenses that can accrue F&A.

Is the invoice signed by an **authorized institutional official**?

**REMEMBER:** Most invoices do not include a large amount of detail. Ask the sub recipient for back-up documentation on specific budget line items if something does not appear correct. Verify that charged expenses are in accordance to the subrecipient agreement. **IF THERE ARE ANY QUESTIONS ON THE INVOICES, DO NOT APPROVE UNTIL ALL ITEMS ARE APPROPRIATELY RESOLVED.**



# Subrecipient Monitoring Record

How to use: The Subrecipient Monitoring Record is used by responsible offices to document subrecipient monitoring efforts and maintain an audit trail. Use of the tracking record is encouraged at all risk levels but is strongly encouraged for high risk subrecipients.

Form for responsible offices to maintain a record of subrecipient monitoring actions

## 1. University of Puerto Rico

PI Name:

UFIS Project#

Subcontract #:

## 2. Subrecipient

Subrecipient Institution:

Subrecipient PI:

Subrecipient Contact:

## 3. Sub-Award Period of Performance:

From:

To:

## 4. Project Invoicing Frequency:

\_\_\_\_\_ Monthly

\_\_\_\_\_ Quarterly

## 5. Name and position of the person of the UPR responsible for overseeing this record:

Name:

Position:

## 6. Scheduled Reporting Dates (based on the terms of the grant award)

Date (mm/dd/yyyy)	Comments	Actual Date* (mm/dd/yyyy)

\*dates entered as each report is submitted



## 7. Informal Progress Reports Completed

[illegible]

## 8. Other Communications

[illegible]

**University of Puerto Rico**

# Subrecipient Monitoring Contact Information



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