

# Coding Issue

**Issue:** Currently expenses paid for participation in a research study are being coded to 03PX (Participant Support Costs). This does not comply with Uniform Guidance [200.75](#), which defines Participation Support Costs 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.

**Corrective Action:** A new subobject (03PU) has been created to be used for Research Participation Costs. This new subobject has been setup to charge F&A and will bring us into compliance.

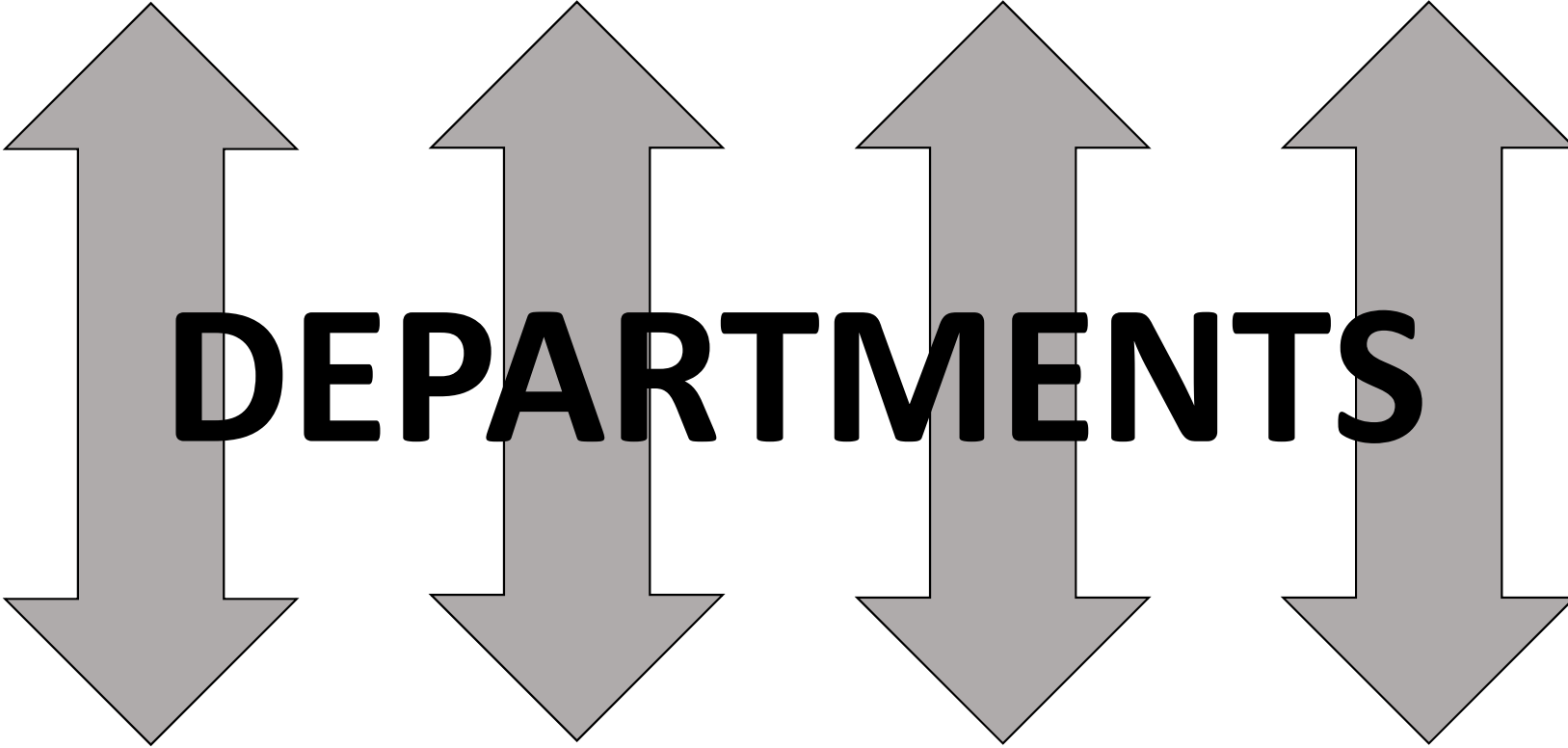
## Examples:

- 03PX – Fees for a non-employee to attend a Behavioral Study training.
- 03PU – Incentives paid to participate in a Sleep Study research.

# Cost Determination

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**DEPARTMENTS**

# Fiscal Responsibilities for Grants and Contracts

WSU delegates considerable authority and responsibility for fiscal compliance to principal investigators (PIs) and departments. This requires the development of significant expertise at the department level and relies heavily on PIs and departmental fiscal staff to comply with WSU policies and various sponsor rules and regulations. (40.09)

Award Management and Maintenance	SPS	PI	DEPT
Fiscal administration for grants and/or contracts, cooperative agreements, sub-contracts, and financial assistance agreements negotiated with federal, state, and private sponsors at the central level.	X		
Approves all expenditures requests to be charged against the grant or contract account.		X	
Review and approve expenditures for allowability and allocability (SEE NOTE 13)		X	
Oversee expenditures for allowability and allocability (SEE NOTE 13)			X
Retain documentation to support allocation of expenditures			X
Audit the allowability and allocability of expenditures	X		X
Reviews, on a regular basis, the grant or contract account expenditures with appropriate departmental, college, or newer campus administrator(s).		X	
Reconcile accounts on a monthly basis			X

**13.** This responsibility includes the following:

- a. That funds are used only for purposes directly related to the activity supported and that these funds are reasonable, allowable, and allocable as defined in 2 CFR 200.
- b. That expenditures are consistent with all special terms, conditions, or limitations applicable under the particular grant or contract.
- c. That expenditures do not exceed the total funds authorized for a given period under the grant or contract. In many cases, the grant or contract may also specify expenditure limits by budget category or line item.

Matrix adjusted for this presentation:  
 Find the full Matrix at  
<https://orso.or.wsu.edu/>

# Cost Determination Guidelines

## BPPM:(40.09) Sponsored Agreements

### **Definition: Reasonable**

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 is made to incur the cost.

### **Three criteria should be met to justify a greater expense:**

**Special Features are required --- Special Market Conditions exist --- Special Services or Facilities are required**

#### Example:

A PI wants to purchase a piece of equipment for their project, you compare prices to determine that the price is comparable to other vendors.

\*If a PI wants to spend significantly more than the market price, please provide a detailed justification.

# Cost Determination Guidelines

## BPPM:(40.09) Sponsored Agreements

### Definition: Allocable

Allocable costs are expenses which may be assigned or charged to one or more sponsored project cost objectives, in accordance with the relative benefits received or other equitable relationship. ***Project costs must advance, benefit, or be necessary for the sponsored agreement to be allocable.***

### Examples: Not Allocable

- Membership dues
- Equipment Maintenance Fees
- Office Supplies
- Utilities
- Postage

\*\*If these expenses are on a grant, be able to document why they were charged as a direct expense and not indirect\*\*



Please code expenses correctly when initially posting to AIS. Auditors look at accounts with multiple ETRs as a red flag.



Note: For an expense to be allocable it needs to post within the period of performance of the award.

# Cost Determination Guidelines

## BPPM:(40.09) Sponsored Agreements

### **Definition: Allowable**

A cost may be charged to a sponsored agreement only if it meets *all* of the following criteria:

- It must be necessary and reasonable for the performance of the award
- It must be allocable to the project
- It must be treated consistently\*\*
- It must be within the type and dollar amount limitations specifically defined in OMB A-21/UG *and* the particular contract or agreement
- It must be determined in accordance with GAAP
- It must NOT be included as a cost or used to meet cost-sharing requirements of any other federally-financed program
- It must be adequately documented

\*\***Consistency:** Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.

Example: When a PI's activity involves scientific effort on a particular grant or contract, his or her salary is an allowable direct cost. That specific grant gains explicit benefit and/or programmatic purpose from the expense.

# Cost Determination Guidelines

## Resources:

- Uniform Guidance section 200
- BPPM 40.09
- Prior approval matrix
- Agency-specific terms and conditions (e.g. NIH Grants Policy Statement section 7.9)
- State Administrative and Accounting Manual (SAAM)

## Reminders:

1. Document exceptions in writing and include in your justification for ETRs in each instance where the charge would be an exception to policy.
2. Plan ahead for costs that require special permission by including them in your proposals – save time by getting permission on the front end when your budget is approved by the sponsor.
3. SPS is here to help, but ultimately it is the PI's responsibility to approve and review the charges to his or her grants with your support to oversee and reconcile the accounts.



# Suggestions

Topics we are considering for future RAC meetings:

- **Forms** – Tips for success in filling out ETRs, SPARs and RCARs
- **Effort Certifications** – Troubleshooting common questions and challenges
- **Cost Share** – Updates after the new cost share policy is released
- **Cash and Travel Advances** – Proper procedure
- **Closing Accounts** – What to look for and what SPS needs from you

What topics or questions would you like to see addressed by SPS?

- Share now, or email suggestions to [sps@wsu.edu](mailto:sps@wsu.edu)