# Bookkeeper Training

Project Startup & Activation

# The contract has arrived! Here we go….

# Project Startup & Activation

- The contract approval and grant activation process is the mechanism whereby principal investigators/project directors and appropriate administrators review and agree to the University's obligations to a project and all original contractual documents are provided to the Business Office.

- Grant agreements, contracts, cooperative agreements etc., are reviewed in the Office of Research to ensure that they are in compliance with University and federal and state policies and regulations prior to being accepted by the University.

Note: grant agreements, contracts, and cooperative agreements are all legal instruments used to enter into a relationship with the entity granting funds. While there are slight differences in definition, for the purposes of this training, the word "contract" will be used.

https://www.tntech.edu/research/researchcompliance/contractapprvl.php

# Project Startup | Overall Procedure

- The President of the University has been designated to approve and sign all contracts between the University and outside agencies. The President has delegated responsibility to the Associate Vice President for Research for reviewing and signing all contracts for compliance with policies and regulations relative to those contracts processed through the Office of Research.

- After a contract has been fully executed (i.e. approved by the University, as indicated by the signature of the President or Associate Vice President for Research, and the funding agency), the project must be "activated" through an internal review process to obtain an account number prior to payment for expenses and invoicing to the agency. Unless the contract states otherwise, all expenses chargeable to the contract must occur during the contract period.

https://www.tntech.edu/research/researchcompliance/contractapprvl.php

# Project Startup | Implementation

- When a contract is received from an agency, it should immediately be sent to the Contract Compliance Specialist in the Office of Research for review and determination of its acceptability. This includes compliance with University and federal and state policies, laws, and regulations.

- The Office of Research will consult with the principal investigator and other stakeholders as needed to ensure they are knowledgeable of the contract. The Associate Vice President for Research, with assistance from the Contract Compliance Specialist, will be responsible for negotiating any changes with the agency.

https://www.tntech.edu/research/researchcompliance/contractapprvl.php

# Pre-activation| Procedure

- In special cases where approval of a contract by the funding agency and the University has been assured, it is possible to pre-activate the project; i.e., to activate prior to receiving the fully executed contract. If this is done, the unit initiating the pre-activation request is responsible for covering all expenditures if the contract, for some unforeseen reason, is not approved.
  - See website for more details on pre-activating funds.

**REQUEST FOR PRE-ACTIVATION**

**This section is required _only_ if requesting to pre-activate the project (to activate prior to receiving the fully executed contract).**
There may be occasions when the agency allows a pre-activation. In the event that the award does not materialize or pre-award costs are not allowable under the terms and conditions of the award, the requesting department/unit will be responsible for covering all funds expended and any liability issues that arise. Drawing funds from a pre-activated account constitutes acceptance of liability for those costs.

**By selecting this box, ▢ you confirm that you are authorizing the project to be pre-activated and assuming the conditions above.**

Provide the index number that will be used to cover any pre-award costs incurred in the event that an award is not made, or pre-award costs are not allowable under the terms and conditions of the award:  2- _____ (must be an unrestricted index).

https://www.tntech.edu/research/researchcompliance/contractapprvl.php

Bookkeeper Training

# Grant Activation Form (GAF)

# Grant Activation

- To activate a contract after it has been signed by all parties, an internal Grant Activation Form must be completed, reviewed, and approved by all appropriate persons. Relevant information, such as the contract and budget documents, should be attached to the activation form.

# Grant Activation Form

- Proposal No.: Previously assigned by OoR. Reference the Proposal Endorsement Form (PEF).

- Activation No.: Will be assigned by OoR. Leave blank.

- Grant Accounting Use: Grant Accounting will complete this information and assign an index number. Leave blank.

**Project Information and Grant Personnel**

- Project information such as Title, Funding Agency, Project Type, Project Dates as well as Grant Personnel would have been listed on the PEF and other proposal documents and should be confirmed with PI.



Length of Total Project: 7/1/2018 – 6/30/2021
Period this Activation: 7/1/2018 – 6/30/2019
   * Only activate one year at a time.

https://www.tntech.edu/research/forms.php/

# Grant Activation Form

## Completing the Budget Section

- Direct Costs: select from the account code listing in the drop-down menu.

- Cost-share: Departmental, Center and Other may apply. Select radial button.

- Total Direct Costs: sum of all costs.

- Modified Total Direct Costs: this would be the base used for calculating indirect costs and may exclude items such as equipment, participant support, capital expenses, and that portion of each subaward in excess of $25,000.

  – *See rate agreement.*

**This should only be new money that has not previously been listed on another activation.**

# Grant Activation Form

## Completing the Budget Section

- Indirect Cost Rate Used: reference the proposal budget.

- Total Indirect Costs: this is MTDC x Rate

- Indirect Cost Waived: TTU has a federally negotiated rate of 42% for on-campus projects and 11.5% for off-campus projects. If any other rate was used, then waived IC's should be calculated on MTDC.

  - Example: A15% rate was used with MTDC $10,000. The calculation would be 42% - 15% = 27% and then 27% x $10,000 = $2,700 of waived indirect costs. This amount could go under line 5 TTU/Other Cost Sharing.

**This should only be new money that has not previously been listed on another activation.**



| DIRECT COSTS | AGENCY | DEPARTMENTAL COST SHARING | CENTER COST SHARING | TTU/OTHER COST SHARING | |
|---|---|---|---|---|---|
| In-Kind Support<br>Program Income<br>61111 Administrative Salaries Temporary<br>61131 Administrative Salaries Release Time<br>61210 Faculty Regular Salary<br>61231 Faculty/Acad Release Time<br>61241 Faculty Summer School \| Research Pay<br>61242 Faculty and Acad Adjuncts<br>61243 Faculty/Acad GA's | | | | | Justification of Cost Sharing<br>Mandatory ⃝<br>Voluntary ⃝<br><br>Comments |
| 1. TOTAL DIRECT COSTS | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 | |
| 2. MODIFIED TOTAL DIRECT COSTS | $ | $ | $ | $ | |
| 3. INDIRECT COST RATE USED | Recovered % | Contributed % | Contributed % | Contributed % | Reason for Waived IDC |
| 4. TOTAL INDIRECT COSTS | $ | $ | $ | $ | |
| 5. INDIRECT COST WAIVED | ///////// | ///////// | ///////// | $ | |
| 6. TOTAL PROJECT FUNDS | $ | $ | $ | $ | |

# Grant Activation Form

**Source of Cost-Share | Departmental Info**

- List the index providing the match and give a cost break-down. This should mirror the budget revision that would be prepared moving monies from the departmental index into the match index.

  - Example: Professor Doe is contributing $1,500 in release time. His base index is 210555 with account code 61210-Faculty Salaries.

| Acct Code | Index Code | Cost Shared Items | Amount |
|-----------|-----------|-------------------|--------|
| 61210 | 210555 | Professor Doe Release Time | $1,500 |
| 62000 | 210555 | Professor Doe Fringe Benefits | $525 |

- ❖ This table represents where the monies are coming from.
- ❖ Be sure to attach the budget revision required by the Business Office!



Source of Cost-Share | Departmental Information
Attach Budget Revision
(Note: If this is a new project, leave the grant FOAPAL blank and Grant Accounting will complete once an index number has been assigned.)

| Account Code | Index Code | Cost Shared Items Such As Computer Time, Benefits, Travel, Etc. | Amount |
|--------------|-----------|----------------------------------------------------------------|--------|
| | | | |
| | | | |
| | | | |

By listing the percent of effort below, a portion of the employee's salary will be redistributed in Banner HR to reflect what is provided in the table. Space has been provided to include the year below each month for projects that overlap calendar years. If a new or revised PAF will be done on the employee, it is unnecessary to enter the percent effort below. Summer pay is not paid from this form. Please see the policies and procedures for summer pay posted online. This table is primarily for faculty release time, account code 61231. Should additional account codes be needed, see the Banner HR page.

| Name (first initial/ last name) | T. No. | Acct. Code | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Source of Release (Index # if available) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | |
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**APPROVALS**

# Grant Activation Form

## Listing of Percent Effort

- This table is used primarily by Grant Accounting and HR. It tells them how to redistribute the employee's (EE) pay.

- It is the PI's responsibility to tell you which months they will be released.

  - Example: say the EE was paid 100% out of their departmental index. Now that they've got 4.80% release, the percentages will change to 95.2% department and 4.80% release.

By listing the percent of effort below, a portion of the employee's salary will be redistributed in Banner HR to reflect what is provided in the table. Space has been provided to include the year below each month for projects that overlap calendar years. If a new or revised PAF will be done on the employee, it is unnecessary to enter the percent effort below. Summer pay is not paid from this form. Please see the policies and procedures for summer pay posted online. This table is primarily for faculty release time, account code 61231. Should additional account codes be needed, see the Banner HR page.

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | |

| Name | T Number | Account Code | Jan___ | Feb___ | Mar___ | Apr___ | May___ | Jun___ | Jul___ | Aug___ | Sep___ | Oct___ | Nov___ | Dec___ | Source of Release |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dr. Doe | T0055555 | 61231 | 4.80% | 4.80% | 4.80% | 4.80% | | | | | 4.80% | 4.80% | 4.80% | 4.80% | 652555 |

Would need to enter the year besides the month.

# Grant Activation Form

- Lastly, the PI would obtain the necessary signatures and forward the completed form to the Contract Compliance Specialist in the Office of Research.

- Documents to accompany the GAF:
  - An electronic copy of the contract if our office was not copied on previous correspondence.
  - Awarded budget and budget justification
    - It should be very clear why you are activating the monies into the accounts codes chosen. If not, please explain.

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**APPROVALS**

| Project PI | Date |
| --- | --- |

Note: By signing, you certify that if you leave the university, all deliverables on the award have been met, including the submission of final project reports and closeout form.

| Project PI Chair | Date | Associate VP for Research | Date |
| --- | --- | --- | --- |
| Project PI Dean | Date | Manager, Grant Accounting | Date |
| Center Director, if applicable | Date | VP for Business and Fiscal Affairs | Date |

Bookkeeper Training

# Award Kick-off Meeting

# Award Kickoff Meeting

In November 2018, the Office of Research started holding award kickoff meetings with the PI, AVP for Research, project bookkeeper and the Contract Compliance Specialist.

The purpose of these meetings is to ensure that all attendees are aware of their role/responsibilities on the project and all details related to the specific award are understood.

# We hope that helped....

# Upcoming Training Modules

- **Module 4**: Understanding Personnel Types & Account Codes

- **Module 5**: Cost-sharing

- **Module 6**: Revisions, Changes & Closeout