

OFFICE OF THE CONTROLLER

Policy and Procedure Updates
Sponsored Award Matters – Part 2
August 2025





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Policy and Procedure Purpose



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Purpose

Last fiscal year, the Controller's Office undertook a comprehensive policy and procedure update project.

This webinar series will provide a high-level overview of Controller's Office policies and procedures, including updates.



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University Policies and Procedures

The University-Wide Policies and Procedures Manual is maintained by the Office of the Provost.

Controller's Office policies are captured in the Administrative and Finance section (FINA) and are also included in our Resources and Training Toolbox (Policies & Procedures section) along with accompanying procedures and appendices.



Policy and Procedure Basics



Policy

Details what is required by federal, state, local, and/or University requirements and best practices



Procedure

Accompanies policies and details how compliance with those requirements is achieved

Additional supplemental policies and procedures can be developed internally at the unit or departmental level, but they cannot contradict the overarching policies and procedures of the University.



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Policies and Procedures

Policy	Procedure
<u>FINA 3.00 – Sponsored Awards</u>	<ul style="list-style-type: none">• <u>Pre-Award Costs</u>• <u>Carryforwards</u>• Personnel Costs – Coming Soon!• <u>Program Income</u>• <u>Equipment Management</u>• <u>Participant Support Costs</u><ul style="list-style-type: none">• <u>Appendix B: Participant Support Payment Form</u>• Termination and Closeout Costs – Coming Soon!• <u>Principal Investigator Disengagement</u>• <u>External Audits</u>



FINA 3.00 – Sponsored Awards



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FINA 3.00 – Sponsored Awards

FINA 3.00 incorporates and consolidates topics previously covered in **former** policies below:

- FINA 3.03 (Cost Sharing)
- FINA 3.09 (Consultant Services)
- FINA 3.15 (Closeouts)
- FINA 3.17 (Uncollectible Receivables)
- FINA 3.19 (Elimination of Account Overdrafts)
- FINA 3.21 (External Audit Policy for Grant Transactions and Activities [Restricted Accounts])

Significant restructuring occurred for the Sponsored Awards section during the policy/procedure update effort.

Formerly titled “Contract and Grant Accounting – Restricted Funds”



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FINA 3.00 – Sponsored Awards

- Sponsored awards, regardless of the funding sources, should adhere to:
 - ❖ Uniform Guidance ([2 CFR 200](#))
 - ❖ any applicable state laws/regulations
 - ❖ sponsor requirements
 - ❖ terms and conditions of the award
- Non-federal sponsored awards commonly refer to UG, making them subject to the same requirements of [2 CFR 200](#).
- When procuring goods or services using sponsored funding, established federal, state, and University regulations must be adhered to. In grant administration, "following the more restrictive rule" means that when multiple sets of rules or regulations apply to a grant, the grant recipient must adhere to the rule that places greater limitations or requirements on their actions.
- The University is a U.S. dollar-based institution. As such, the University only accepts and invoices funds in U.S. dollars.



FINA 3.00 – Sponsored Awards

SAM Office

Manages **pre-award** functions:

- proposal prep
- award negotiations,
- post-award modifications (e.g., extensions, re-budgets)

Grants & Funds Management

Handles accounting and **post-award** management functions:

- award set-up in PeopleSoft
- invoicing
- financial reporting
- award close-out

Departments & PIs

Responsible for accurate and timely posting and monitoring of all expenditures, including cost share

Note: Departments must not send invoices directly to the sponsor. GFM submits system-generated invoices to the sponsor.



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FINA 3.00 Procedure – Pre- Award Costs



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FINA 3.00 Procedure – Pre-Award Costs

- Pre-award costs are expenses incurred before the effective date of a sponsored award (typically 90 days).
- Per [2 CFR 200.458](#), pre-award costs may be allowable if:

✓ The sponsor approves the costs through either waived, granted, or requested approval.

✓ The costs are necessary and directly related to the project scope.

✓ The costs would have been allowable if incurred after the award date.

- The PI and department are responsible for the financial risk of pre-award spending and must ensure backup funding if the award is not received, delayed, or reduced.
- See procedure for roles, responsibilities, liabilities, limitations, and risks related to pre-award costs.

FINA 3.00 Procedure – Carryforwards



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FINA 3.00 Procedure – Carryforwards

- Carryforward represents unspent funds remaining at the end of a sponsored award budget period that may be available and eligible for use in the current or upcoming budget period.
- Authorization, requirements, restrictions, and rules are specified in the terms and conditions of the award.
- It is typically categorized as automatic, restricted, or prohibited.
- Carryforward should not be confused with a no cost extension. A no cost extension is an extension of time to a project period and/or budget period to complete the work of the grant, without a respective change in scope or additional funds awarded.
- Refer to procedure for specific information required for carryforward requests and roles and responsibilities.



FINA 3.00 Procedure - Personnel Costs



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FINA 3.00 Procedure – Personnel Costs

- All personnel charges on sponsored awards must adhere to [2 CFR 200.430](#), be in the approved budget, reflect the **actual** effort on the project, and include direct PI approval of the appointment.
- All University Human Resource policies and procedures must be followed when hiring personnel to work on a sponsored award.
- Account Funding Change eForms, through PeopleSoft HCM, should be promptly completed for any employee that requires a funding change before the next payroll. If you find that there is an error with salaries and fringe, you will need to complete a [Payroll Retro Funding Change Form](#).

NEW procedure coming soon – **DRAFT** (finalization in progress)



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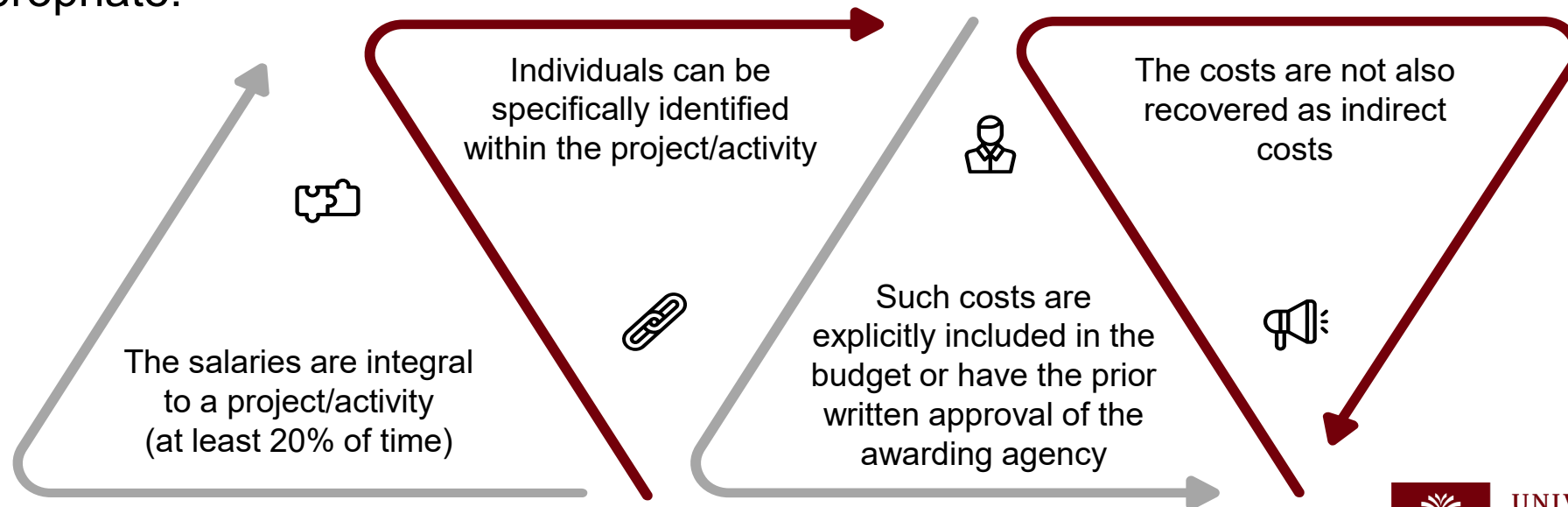
FINA 3.00 Procedure – Personnel Costs

- Charges may initially be based on the planned or estimated workload, but the actual effort of each individual working on a project must be monitored and reviewed on a periodic basis to ensure charges are adjusted as necessary to account for variances between estimated and actual effort.
- Departments should be mindful of the pay group associated with each individual, as well as the University's standard pay dates, to understand the impacts of being paid on a current vs. lag basis.
- Refer to procedure for roles and responsibilities.



FINA 3.00 Procedure – Personnel Costs

- Due to the nature of the underlying work, the salaries of **administrative and clerical staff** (e.g., accounting, procurement, human resources) should typically be treated as indirect costs as they generally represent institutional expenses not readily identifiable with a specific sponsored award.
- [2 CFR 200.413](#) outlines the instances in which direct charging these costs may be appropriate:



FINA 3.00 Procedure - Program Income



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FINA 3.00 Procedure – Program Income

- Per [2 CFR 200.307](#), program income refers to approved gross income earned by the recipient or subrecipient that is directly generated by a supported activity or earned as a result of the sponsored award during the period of performance.
- This income is subject to strict tracking and reporting requirements and must be managed and used in compliance with sponsor terms and conditions.
- Program income must be handled in accordance regulations and sponsor requirements.
- The PI and department must review the proposal to identify potential or actual sources of program income and include that program income in the proposed budget.

FINA 3.00 Procedure – Program Income

- The treatment of program income falls under the following methods, which should be specified in the terms and conditions of the award:

Deduction Method

Used to cover current project costs by offsetting the award amount (unless the sponsor explicitly allows otherwise).

Additive Method

Added to the award and used for project-related purposes under the same conditions as the original award.

Cost Sharing or Matching

Used to meet cost-sharing or matching requirements, keeping the total federal award unchanged.

- Program income earned within 60 days post-award is still subject to sponsor guidelines, unless otherwise specified.
- Refer to the procedure for examples, exclusions, and responsibilities.



FINA 3.00 Procedure – Equipment Management



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FINA 3.00 Procedure – Equipment Management

- Only equipment charges that are explicitly approved in the sponsored award budget should be charged to the sponsored award. Any deviations require prior approval from the funding agency or sponsor.
- All equipment purchased with sponsored funding must adhere to University policy:

BUSA 7.00
Purchasing

FINA 2.14
Acquisition and Payment of
Goods and Services

FINA 2.82
Asset
Management

- To avoid duplication and unnecessary expenditure, the PI is responsible for ensuring similar equipment is not available to support the sponsored award activities of a project prior to purchase.



FINA 3.00 Procedure – Equipment Management

- Equipment must be used by the University for the sponsored project or program that it was acquired for as long as it is needed. Use on other sponsored projects must not interfere with the work of the original project.
- When no longer needed for the original project, the University is authorized to use the equipment in connection with its other sponsored activities, in the following order of priority:
 1. Activities sponsored by the awarding agency that funded the original project.
 2. Activities under sponsored awards from similar awarding agencies (e.g., other federal agencies).



FINA 3.00 Procedure – Equipment Management

- Pls must notify SAM, GFM, and the Asset Management Team prior to the transfer or disposal of sponsored equipment.
- Sponsored equipment may be vested with either (1) the University or (2) the sponsor. The University is bound by the sponsor's agreement regarding whether the ownership of the equipment is vested in the University.

With Sponsor	With University
Where the FMV is greater than \$5,000, GFM and SAM will contact the sponsor for transfer and disposal instructions, restrictions, and any necessary prior approval.	Proceeds from any disposal will be credited back to the applicable program, as appropriate. Internal transfer to another department follows FINA 2.82 (Asset Management). External transfer to another University requires additional review, coordination, and approval.

- Refer to procedure for roles and responsibilities.



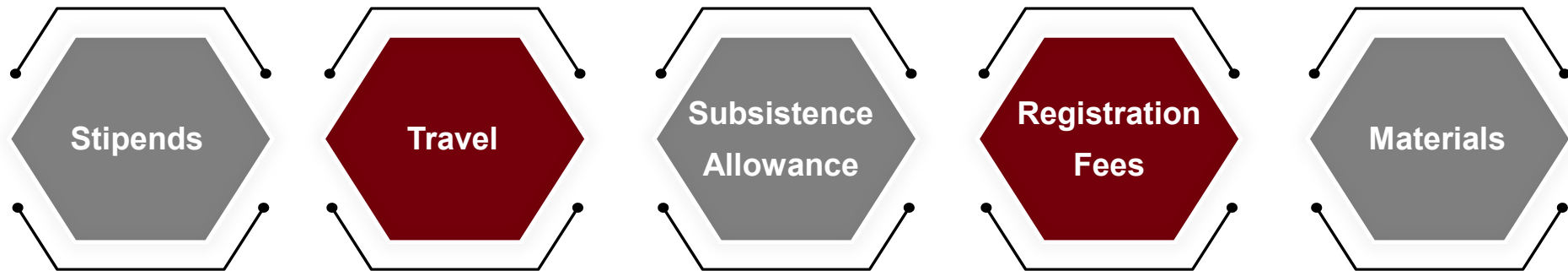
FINA 3.00 Procedure - Participant Support Costs



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FINA 3.00 Procedure – Participant Support Costs

- Participant support costs refer to direct costs associated with training, conferences, seminars, or similar activities, provided to **non-employees** (e.g., students, teachers, scholars, trainees).



- These costs are common in educational or outreach-focused projects and **are not** applicable for strictly research-based activities, like those involving human subject incentives or clinical trials.
- To be allowable, these costs must have programmatic justification, explicit budget approval, and no indirect costs.

FINA 3.00 Procedure – Participant Support Costs


- Prior sponsor approval is typically required to move funds out of participant support cost categories or to reallocate funds between categories.
- Participant support costs **do not** include:
 - ✗ Costs of PI or project staff salaries, fringes, or travel.
 - ✗ Costs for a consultant/trainer providing services to the project.
 - ✗ Costs for a guest speaker/lecturer (e.g., honoraria or travel).
 - ✗ Conference support costs (e.g., facility rental, catering, AV equipment).
 - ✗ Human subject payments for participating in a research project.
- Refer to procedure for roles and responsibilities.



FINA 3.00 Appendix B – Participant Support Payment Form

- Proper documentation must be maintained to support participant support cost expenditures, including the Participant Support Payment Form, which documents participant, project, and payment details.
- Other required documents include:
 - Sign-in sheets for event attendance
 - Receipts or invoices for materials distributed to participants
 - Lists of participants who receive the materials or stipends
 - Documentation explaining the allocation of costs, especially for items categorized as “other” or “fees”

NEW appendix



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**FINA 3.00 – PARTICIPANT SUPPORT COSTS – APPENDIX B
PARTICIPANT SUPPORT PAYMENT FORM**

This form should be used for USCSP / USCIP only

Participant Details

Legal Name: _____

Mailing Address: _____

PeopleSoft Supplier ID: _____

Amount: _____

Project/Payment Details

PeopleSoft Project Number: _____

Description/Purpose of Payment: _____

Electronic workflow approvals are required in the PeopleSoft Finance system for all participant support costs. See [FINA 3.00 Procedure – Sponsored Awards – Participant Support Costs](#) for additional detail on participant support costs requirements.

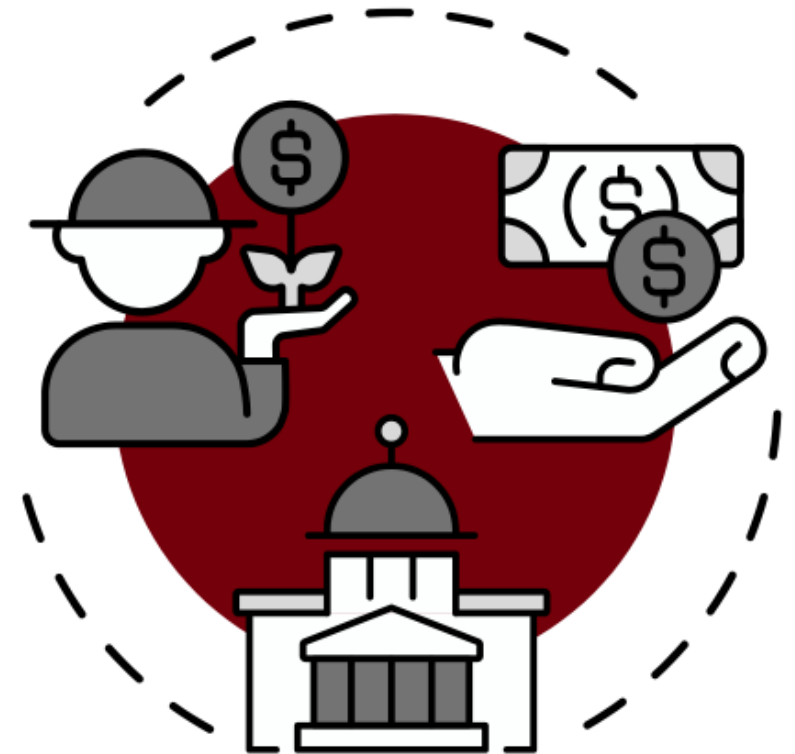
FINA 3.00 Procedure - Termination and Closeout Costs



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FINA 3.00 Procedure – Termination and Closeout Costs

- Termination costs are those incurred as a direct result of the termination of a sponsored project and must be necessary and reasonable to ensure an orderly shutdown of award activities.
- All termination and closeout costs must be thoroughly documented and substantiated by the department.
- All requested costs are subject to sponsor approval and must comply with [2 CFR 200.472](#).
- Refer to procedure for roles and responsibilities.



NEW procedure coming soon – **DRAFT** (finalization in progress)



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FINA 3.00 Procedure – Termination and Closeout Costs

All requested termination costs are subject to sponsor approval and must comply with [2 CFR 200.472](#):

Common Use Items	Cannot charge for items that could reasonably be repurposed or used elsewhere
Unavoidable Continued Costs	Cannot charge costs that could have been avoided with proper planning and effort
Special Tooling, Machinery, and Equipment	May be allowable to charge the loss of useful value if the items are not reasonably capable of use in other work
Leases	May be allowable to charge rental costs that were reasonably necessary for the performance of the terminated sponsored award
Settlement Expenses	May be allowable to charge Accounting, legal, clerical and similar costs that are reasonably necessary for termination and settlement of the award
Subawards	May request reimbursement under subawards or contracts for the allocable portion of the settlement that relates to the terminated sponsored award and the appropriate share of indirect costs



FINA 3.00 Procedure – Termination and Closeout Costs

The following costs are **not** permitted:

- ✗ Ongoing programmatic work
- ✗ Publication and printing beyond the termination date
- ✗ Preparation of final performance reports which are not required following the award termination
- ✗ Public relations, fundraising, and lobbying
- ✗ Indirect costs calculated on unallowable costs
- ✗ Duplicative costs, such as charging indirect costs and direct administrative time for closeout activities

Administrative costs associated with the closeout of a termination may be allowable. Examples include:

- ❖ Salaries of personnel preparing final reports, audit preparation, accounting and financial documentation
- ❖ Costs associated with the disposition of equipment and property
- ❖ Related indirect costs



FINA 3.00 Procedure – PI Disengagement



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FINA 3.00 Procedure – Principal Investigator Disengagement

- [2 CFR 200.308](#) requires prior approval from the sponsor when there is disengagement from the project for more than three months, or a 25% reduction in the time devoted to the project by the PI.
- When disengagement occurs, the department must take prompt action to ensure compliance and avoid risks related to continued funding. The PI or department must notify the SAM Office of the disengagement and the designation of a new PI – a written notification with specific criteria is required.
- Refer to procedure for roles and responsibilities.
- Examples of PI disengagement include:
 - ❖ absence due to termination, suspension, or death
 - ❖ significant reduction in effort on the project
 - ❖ less than weekly contact with project personnel.



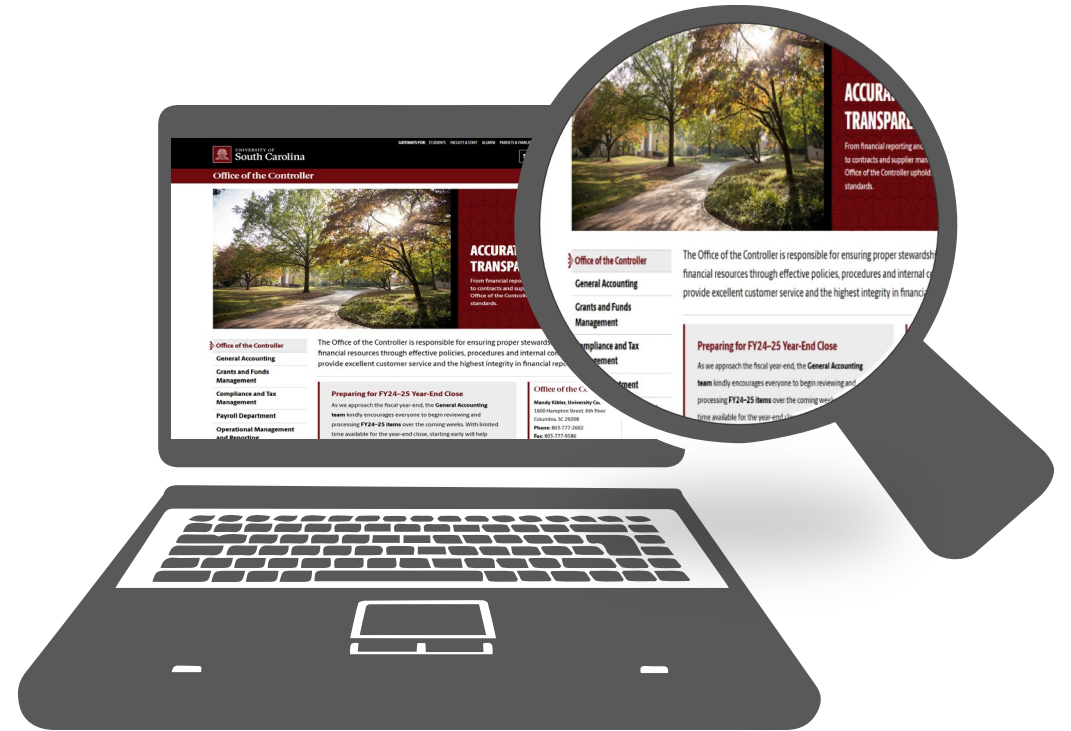
FINA 3.00 Procedure – External Audits



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FINA 3.00 Procedure – External Audits

- Incorporates topics previously covered in **former** policy FINA 3.21 (External Audit Policy for Grant Transactions and Activities [Restricted Accounts]).
- External audits may be requested periodically to evaluate the University's sponsored award programs and associated transactions and activities.
- All requests and inquiries related to sponsored award external audits must be promptly forwarded to Controller's Office Grants and Funds Management (GFM) Team and/or the Compliance Team.
- Refer to procedure for roles and responsibilities.



NEW procedure




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Training and Communication



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GATEWAYS FOR:
[STUDENTS](#)
[FACULTY & STAFF](#)
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[CALENDAR](#)
[MAP](#)
[DIRECTORY](#)
[APPLY](#)
[GIVE](#)

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Compliance and Tax Management

Payroll Department

Operational Management and Reporting

External Financial Reporting and Transparency

Resource and Training Toolbox

Business Manager

Grant Administration

Principal Investigator

➤ Policies & Procedures

Tax Cuts and Jobs Act 2017

Forms

Newsletters

PeopleSoft Finance Training Schedule

Policies and Procedures

The University-wide [Policies and Procedures Manual](#) is maintained by the Office of the Provost. The Controller's Office is the owner and designated administrative office for many of those policies, which are detailed below along with any accompanying procedures.

Policies detail what is required by federal, state, local, and/or University requirements and best practices, whereas accompanying procedures detail how compliance with those requirements are achieved. Additional supplemental policies and procedures can be developed at the unit or department level, but they cannot contradict the overarching policies and procedures of the University.

Chart of Accounts

General Accounting

Treasury Management

Compliance

Travel and Reimbursement

Capital and Assets

Sponsored Awards

Payroll

Expand all

Where to Find the Resources

For Policy and Procedure resources, visit the [Policies and Procedures](#) page found in the Resource and Training Toolbox section.



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Office of the Controller

Office of the Controller

General Accounting

Grants and Funds
ManagementCompliance and Tax
Management

Payroll Department

Operational Management
and ReportingExternal Financial Reporting
and TransparencyResource and Training
Toolbox

Business Manager

Grant Administration

Principal Investigator

Policies & Procedures

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Business Manager

The role of each Business Manager at the University of South Carolina varies across each college and department. Each Business Manager handles several responsibilities that directly influence the success of their departments and the University overall. They provide business expertise on a variety of topics including, but not limited to budget, expenses, supplier onboarding, transaction corrections, and University policies and procedures.

Below is a list of tasks a Business Manager may be responsible for within their college/department. Sections include links to training resources that support each task.

Note: Each year the Controller's Office provides refresher trainings starting the month of February thru the end of April. Registration links for all scheduled trainings are sent to our BIZMANAGER listserv end of January, provided in our monthly newsletter, and in a prior week reminder email. On demand training can be found in the sections below.

Account Funding Change

AP Uploads

Business Expense Prepaid Cards

Cash Advances

Cost Transfer

Departmental Deposits

Employee Reimbursement (Non-travel)

Endowments

Finance Intranet

Expand all



Where to Find the Resources

For training resources, visit our Business Manager page in the Resource and Training Toolbox section.



Questions



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Controller's Office Contact List

General Accounting (JEs, JVs, Apex, GL issues/Questions)		Email Address
General Email Address		genacctg@mailbox.sc.edu
Cash Advance Settlement		cashadvsc@mailbox.sc.edu
Payroll Retro Journal Entries		retroje@mailbox.sc.edu
Chartfield Maintenance		cfmaint@mailbox.sc.edu
Moving & Relocation Mailbox		moving@mailbox.sc.edu
PeopleSoft Finance Security Requests		pssecure@mailbox.sc.edu
Accounts Payable		Email Address
General Email Address		ap@mailbox.sc.edu
AP Uploads		apupload@mailbox.sc.edu
Supplier Maintenance		apsupplr@mailbox.sc.edu
Travel Office		Email Address
General Email Address		teoffice@mailbox.sc.edu
Student/Non-employee Travel Authorizations and Travel Reimbursement Vouchers		tesubmit@mailbox.sc.edu

Controller's Office Contact List

Capital Assets	Email Address
Physical Inventory	physinv@mailbox.sc.edu
Capital Leases	lease@sc.edu
Cash Management and Treasury	Email Address
General Treasury Email Address	treasury@mailbox.sc.edu
Program Expense Card	cards@mailbox.sc.edu
Team Card	teamcard@mailbox.sc.edu
Travel Card	travelcard@sc.edu
Compliance and Tax	Email Address
General Compliance Email Address	controllercompliance@sc.edu
General Tax Email Address	tax@mailbox.sc.edu
Research/Development Sales/Use Tax Exemptions	rdequip@mailbox.sc.edu
Time and Effort Reporting	timeandeffort@sc.edu

Controller's Office Contact List

Grants and Funds Management	Email Address
Sponsored Award Specific Questions	Contact your Post Award Accountant (PAA)
Payroll	Email Address
General Email Account	payroll@mailbox.sc.edu



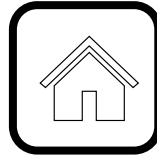
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THANK YOU!

Office of the Controller



Alone, we can do so little; together,
we can do so much.

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