



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 65.01, Establishing Sponsored Program Funds

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to define the process to establish separate funds for programs receiving financial support from external sources (sponsored programs).

REVIEW: This HSCEP OP will be reviewed May 15 of every odd-numbered year by the director of Contracts and Grants Accounting (CGA) and the associate managing director of the Office of Sponsored Programs (OSP), with recommendations for revisions submitted to the vice president for research and the chief financial officer by June 1.

POLICY/PROCEDURES:

I. Departmental Responsibilities:

- A. To establish or extend a sponsored program fund, the project director, principal investigator or other assigned personnel must forward all required documentation as listed in Section 3 to CGA.
- B. Under certain limited circumstances, principal investigators may request the establishment of a fund prior to receipt of the grant award notice. If allowable by the sponsor and approved by OSP, a fund may be established 90 days prior to the award's anticipated start date when there is an expectation that an award is forthcoming, there is a need to incur costs or establish accounting or budget information prior to the award start date and pre-award costs are allowable by the sponsor.

In this case, all required forms excluding the award notice must be submitted to OSP with the following phrase included in the request: "It is expected that a grant award notice is forthcoming. The Principal Investigator's department will assume all costs not funded by the sponsor. These costs will be covered from FOP _____. " The manager of the provided backup fund must also approve the request.

- C. When an award extension has been requested from the sponsor by OSP and the award notice has not yet been received, the principal investigator may request an extension of the project end date in the system to allow continuation of costs and/or establish accounting or budget information. The request must be approved by OSP.

In this case, all required forms excluding the award notice must be submitted to OSP for approval with the following phrase included in the request: "It is expected that the grant award will be extended through _____. The Principal Investigator's department will assume all costs not funded by the sponsor. These costs will be covered from FOP _____. " The manager of the provided backup fund must also approve the request.

- D. The project director, principal investigator or other assigned personnel will be responsible for preparing a budget sufficient in amount to cover expenditures and encumbrances and which does not exceed anticipated award revenues.

- E. After OSP has received the required documentation and the award letter authorizes the start of a project or OSP has provided approval for pre-award costs, the department must request a new fund using the New Fund Request System. The request will route to the organization code manager, OSP, CGA, and Finance Systems Management for approval. Once the New Fund Request is fully approved and the new fund is created, all departments involved in the approval routing will receive notification.

The overage FOP should be indicated in the New Fund Request system. The organization code manager of the New Fund Request certifies that the overage FOP will be used if the cost incurred exceeds award revenues.

II. Office of Sponsored Programs Responsibilities:

- A. OSP will review the documentation for completion and authority to establish or extend the project. If the actual grant award notice has not been received, whenever possible, information should be obtained in writing from the sponsor and should include the award number, the time period of the award, the amount to be awarded, and the estimated date of receipt of the actual award. Upon receipt, OSP is responsible for sending the grant award notice to CGA. All extensions must be documented in the fund file.
- B. Once all documentation has been reviewed, OSP will forward the required forms/information to CGA and to the project director and/or the principal investigator to establish a new fund as listed in Section 1 of this OP.
- C. OSP will notify CGA when any changes are made to the grant such as extensions, cost share changes, expected award receipt date or changes to sub-recipient information. Supporting documentation for any such changes must be submitted to CGA by OSP as appropriate.
- D. OSP serves as the liaison between the funding agency and the institution.

III. Contracts and Grants Accounting Responsibilities:

- A. A new fund will be established by CGA for every year of a grant or for the entire project period, depending on the nature of the grant, when all required forms and information are received from OSP. The requester of a new fund will submit the request through the New Fund Request System. Required documentation that should be attached to the electronic request includes, but may not be limited to:
- 1) Grant Award Notice/Letter:
 - If the award notice has not been received and the fund meets the conditions as stated in Section 1(B), CGA will set up the fund no earlier than 90 days prior to the expected award start date.
 - OSP is responsible for sending the grant award notice to CGA upon receipt as stated in Section 2(A).
 - 2) Sponsor approved budget from award notice/grant proposal, including a detailed budget justification, as appropriate.
 - 3) Cost share/matching information, if applicable (Refer to HSCEP OP 65.11)
 - 4) Sub-recipient information, if applicable (Refer to HSCEP OP 65.09)

- B. CGA will maintain an electronic file of all set-up documentation, as well as, subsequent correspondence, reports, and records documenting materially significant financial transactions and events for the life of the project. Records will be kept according to sponsor guidelines and institutional guidelines.