

GRANTS & CONTRACTS: F&A'S

Introduction to Grant Management

Who are We?



- Virginia Moore – Director of Accounting Services (Ext. 4191)
- Ashley Murray– Accounting Specialist (Ext. 4530)
- Nikki Bonnington – Assistant Director of Accounting Services (Ext. 1768)

Accounting Services
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Direct vs. Indirect Charges



- What are Direct charges?
- What are Indirect charges?
- What happens to Indirect allocations and how do you get to use them?

What are Direct Charges?



- ❑ Allocable – direct benefit and directly attributable to the project or activity
- ❑ Allowable – allowed by university policy, sponsor policies, and federal regulations
- ❑ Reasonable and necessary – for performance of the project
- ❑ Consistently treated – all costs incurred for same purpose, in like circumstances, are either direct charges or indirect charges, not both. Don't double charge the grant

Link: <https://universitytennessee.policytech.com/dotNet/documents/?docid=46>

What are Indirect Charges?

- Costs that cannot be directly attributed to the scope of work for the grant or contract.
- Examples include: utilities, space, general and administrative expenses, basic phone and internet charges, clerical support, sponsored project administration, office supplies.
- Indirect costs are funded monthly by a % of the grant direct expenses. Usually based off a negotiated rate such as Modified Total Direct Cost or Salaries and Wages.
- UTC's current negotiated rate is 36% MTDC as of 10/1/17.

Indirect Allocations

- After month closes, Accounting Services will prepare an indirect allocation spreadsheet to divide the total monthly allocations into 4 portions.

<u>Area</u>	<u>FY 20</u>
Institution	35%
Depts.	30%
College	15%
Vice Chancellor Research	20%

Indirect Allocations

- After the 4 portions are determined, then Accounting Services will process budget revisions to increase/decrease the budget to appropriate F&A account.
- Accounting Services will notify the Department Head, Dean, and Administrative Assistant by email when the allocations have been completed.
- Department Head is responsible to allowing PI to access the funds in the departmental F&A account.
- Per Approved Indirect Plan, 85% of departmental funds should be made available for use by the PI(s).
- Carryover of unused funds from previous fiscal year will be added back into the account budget by Budget & Finance usually around September or October.

Questions



- Please feel free to contact us if you have any additional questions.
- Thank you!