

UNIVERSITY OF ALASKA SOUTHEAST

Information Manual for Research and Other Sponsored Projects Updated: October 2007

GM 14: Expenditures: Allowable, Allocable & Reasonable

I. Personnel

When an award document is received, the personnel committed to that project should be appointed to that grant number by processing the proper payroll/personnel forms. (See UAS Office of Human Resources web site.)

Personnel should only be appointed to the grant according to the accepted scope of work and as identified in the award budget. If more salary expenditures are required than originally budgeted and if the award terms and conditions allow, a budget change must be made transferring funds from another expense category to salaries, staff benefits and F&A costs (when appropriate) in the proper proportion.

Some agencies limit costs per budget category and changes can be made only with prior approval of the sponsor's grant or contracting officer. Such approval must be received before the budget change and the salary charge can be made. Contact your grant administrator or unit for budget amendment instruction and, if necessary, request agency approval.

If the additional salaries to be charged will increase the total cost of the project, a request for additional funds must be made to the awarding agency. When the grant amendment or contract modification awarding the funds requested is received by the grant administrator, the additional amount can be budgeted and the salary charge processed. In these instances, do not assume permission will be forthcoming; wait until the modification is issued.

II. Travel

Travel, domestic and foreign, requires in-depth scrutiny. Does the budget justification or scope of work explicitly delineate who, what, when, and destination(s)? The amount approved in the award statement cannot be exceeded or changed without prior approval of the agency, unless expanded authority is assigned to UAS. Otherwise, additional funds for travel must be approved by the agency before requests in excess of the original allowance can be processed and reimbursement to the traveler can occur.

Foreign travel must have sponsoring agency approval. Detailed information as to the purpose of the trip and the cost must be included in the proposal.

An additional restriction on foreign travel under federal sponsored awards is the *International Air Transportation Fair Competitive Practices Act of 1974 (49 USC 1517) (Fly American Act), Section 5 and implemented in FAR 52.247-63*. Guidelines were issued by the United States Comptroller General on March 31, 1981. (Fly America Act).

- <http://uas.alaska.edu/vicechancellor/budgetFlyAmerica.htm>.

The Act requires the use of "U.S. Flag Air Carriers," when available, for all foreign travel that is paid, in whole or in part, with federal dollars.

When a U.S. flag air carrier service is not available and a foreign-flag air carrier is used, the traveler is ***required to provide justification*** for the use of the foreign air carrier. The Code of Federal Regulations states "Agencies shall disallow expenditures for U.S. Government-financed commercial international air transportation on foreign-flag air carriers unless there is attached to the appropriate voucher a certificate or memorandum adequately explaining why service by U.S.-flag air carriers was not available, or why it was necessary to use foreign-flag air carriers." 48 CFR 47.403-3. (the UAS Budget and Grant Office has been charged with the responsibility of performing the compliance review and requires the Flag Carrier Form be attached to the 'University Travel Authorization' form before approval will be granted.)

The UAS Chancellor has mandated that all travel paid for by University of Alaska Southeast funds irregardless of funding source use the University of Alaska Easy Biz travel process.

III. Subawards

In some cases, projects will include research or support that cannot be performed at the University of Alaska Southeast. Therefore, part of the project will be performed at another university or a commercial firm. A subaward will be made to these subrecipients to cover that part of the scope of work that will flow through to a non-UAS site. UAS is responsible for assuring that clauses and restrictions applicable to the original award from the agency are included in the subaward documentation.

Some subawards will require the prior approval of the prime funding agency if they are not listed in the proposal in detail. An explanation as to the necessity of subawarding that part of the project should be provided to the sponsor.

When cost audits of subawards are performed by the funding agency's auditors, the university is liable for all disallowances. It is the responsibility of the Budget and Grants Office, working with the unit and the PI, to resolve those disallowances.

IV. Petty Cash

Petty cash vouchers are allowable against restricted funds, but must be documented in full. Amounts allowed are to be no greater than \$100 per voucher and must have the PI and the fiscal officer's signatures. The explanation on the voucher must adequately tie the expense directly to the work being performed..