

15.01.01.A1.02 CONTRACT AND GRANT RESPONSIBILITIES

Approved: January 6, 2003

PROCEDURE STATEMENT

Texas AgriLife Research (AgriLife Research) is legally and financially responsible and accountable to the sponsor for the performance of the project under the terms of the agreement and the proper use of the funds. AgriLife Research's success in this stewardship role requires the full cooperation and vigilance of the Principal Investigator (PI) and the unit, including interactions relevant to notification of reports due and filing of reports by the PI. The contract research project must therefore be a joint effort between the PI, the unit administrative/business office staff, and AgriLife Research.

AgriLife Research projects are executed as a unit function. If the project is over expended or if an unauthorized expenditure is disallowed by the auditors, the unit will bear the resultant costs. AgriLife Research will be responsible for any expenditures on the account that are uncollected from the sponsor until the work termination date as ordered by the Contracts and Grants Office, after which unit will be responsible for expenditures associated with continuing work.

OFFICIAL PROCEDURES

1.00 PROCESSING PROCEDURES

- A. All contracts/agreements will be reviewed by the Contracts and Grants Office to ensure that they are legally sufficient. Contracts should include, among other requirements, the following:
 - 1. payment schedule
 - 2. necessary forms and/or method of invoicing,
 - 3. location where payment is to be made,
 - 4. grace period is allowed (if any),
 - 5. consequences of non-payment, and
 - 6. schedule and notification of reports due to the funding agency.

- B. Invoices will be transmitted by the Contracts and Grants Office to the contractor/grantor either monthly or quarterly as specified in the contract/agreement. A copy of this invoice will be sent to the PI and the business office of the unit responsible for the account.

C. Monitoring the receipt of payments by the Contracts and Grants Office.

1. When payment is received, payment will be posted to FAMIS Screen 634. The Contracts and Grants Office is responsible for monitoring this site for payment information.
 2. If payment is not received within 30 days of the date of the invoice (or the grace period if different), a past due notice will be sent by the Contracts and Grants Office specifying that payment is due immediately. A copy of this notice will be forwarded to the PI and the business office of the responsible unit.
 3. If payment is not received within 30 days of the date of the past due notice, a second past-due notice will be sent and copies will be forwarded to the PI and administrative head of the responsible unit. This notice will specify that the payment is past due and that the contractor/grantor is in default.
 4. If payment is not received within 30 days of the date of the second past-due notice, (90 days following the sending of the original invoice) the contractor will be notified that work on the project is being terminated. Copies of this notification will be sent to the PI, the unit business office, and the unit head. The PI and unit head will be notified to terminate the expenditures immediately.
 5. If payment is not received, within two weeks, the contract will be terminated. If the PI and unit head decide to continue the research, they understand that they are at risk that payment will not be received and, the unit will be responsible for all expenses incurred after the termination date.
- D. The Contracts and Grants Office will continue to make every effort to collect the unpaid amount in consultation with the TAMUS Office of General Counsel. Collected amounts will be credited to the project account, first to cover any budget deficit, and, then, to allocate budget for continuing work.

2.00 PRINCIPAL INVESTIGATOR RESPONSIBILITIES

The Principal Investigator is responsible for:

- A. Compliance with all the terms and conditions of the contract with the sponsor.
- B. Management of project funds within approved contract guidelines and the budget.
- C. Ensuring all staff involved in the project are familiar with the terms and conditions of the agreement.
- D. Preparation and submission of required technical reports following notification by the Contracts and Grants Office.
- E. Preparation and submission of required budget changes.
- F. Adherence to System Policies and Regulations, and AgriLife Research Rules and Procedures for handling intellectual property.
- G. Following AgriLife Research procedures for variations in indirect cost rate (IDC).

- H. Monitoring subcontractors for technical performance on any agreement and approval of the subcontractor invoices.

3.00 UNIT ADMINISTRATIVE/BUSINESS OFFICE RESPONSIBILITIES

The unit administrative/business staff will establish the contract file on the bookkeeping system according to documentation received from the AgriLife Contracts and Grants Office. In addition they will:

- A. Work with the PI to verify the start and end dates and to verify the amounts in budget categories on all budget allocation notices are in accordance with the award document
- B. Work with the PI to ensure all expenditures are within project, System, and AgriLife Research guidelines and agreement dates.
- C. Monitor the account balance and work with the PI to ensure that project expenditures do not exceed budgeted amount.
- D. Monitor expenses against account end date to ensure expenditures are within the project term.
- E. Ensure the PI is aware of project budget remaining.
- F. Reconcile account balances monthly between FAMIS and bookkeeping system.
- G. Monitor payments from sponsor through FAMIS screens 634 by account number or 635 by invoice number, and work with the unit head and PI to assist in collection as necessary.
- H. Prepare account for closeout within 60 days of termination date as required by AgriLife Research rules, procedures, and guidelines.
- I. Monitor Historically Underutilized Business (HUB), Minority Business Enterprise (MBE), and Women Business Enterprise (WBE) use according to the terms of the contract.

4.00 CONTRACTS AND GRANTS OFFICE RESPONSIBILITIES

Texas A&M AgriLife Contracts and Grants Office will have primary responsibility for negotiating contract terms and the standard indirect cost (IDC) rate with the sponsor. In addition the AgriLife Contracts and Grants Office will:

- A. Set up FAMIS account and send required documentation to the unit for the account to be set up in the bookkeeping system.
- B. Submit financial reports according to contract terms.
- C. Review expenses for contract compliance, including ensuring salaries and other expenditures assigned to project subsequent to termination date are not allowed.
- D. Monitor deliverables schedule, including required annual and final reports, and send reminders to PI of due dates.

- E. Submit close out paperwork to sponsor.
- F. Close account on FAMIS within 90 day closeout period.
- G. Process cost overrun or disallowed expenses against unit account within the 90 day close out period.
- H. Return excess funds to sponsor or to unit per contract terms after the 90 day close out period.
- I. Perform subcontract risk analysis and monitor subcontracts for compliance with budget expenditures and other contract terms.

CONTACT OFFICE

For questions, contact the AgriLife Contracts and Grants Office at 979-845-4781.