

15.01.01.V1.02 CONTRACT AND GRANT RESPONSIBILITIES



1.00 GENERAL

- 1.01 The Texas Veterinary Medical Diagnostic Laboratory (TVMDL) 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. TVMDL's success in this stewardship role requires the full cooperation and vigilance of the Principal Investigator (PI), including interactions relevant to notification of reports due and the filing of reports by the PI. The contract sponsored research project must therefore be a joint effort between the PI, the TVMDL Finance Office, and the Office of Sponsored Research Services (OSRS).
- 1.02 TVMDL sponsored research contract and grants are executed and held in agency accounts in FAMIS within the account fund group beginning with a "4." If the project is over expended or if an unauthorized expenditure is disallowed by the auditors, TVMDL bears the resultant costs. The OSRS will be responsible in collecting any funds that are uncollected from the sponsor until the work termination date as ordered by the OSRS. These accounts follow 2.00 through 5.00 of this procedure.
- 1.03 TVMDL federal cooperative agreements for fee-for-service diagnostic testing are executed and held in agency accounts in FAMIS within the account fund group beginning with a "5." TVMDL is responsible for these agreements and account set up. These accounts follow 6.00 of this procedure.

2.00 GUIDELINES AND PROCEDURES

2.01 All sponsored research contracts/agreements will be reviewed by the OSRS to ensure that they are legally sufficient. Contracts should include, among other requirements, the following:

- 2.01.01 payment schedule
- 2.01.02 necessary forms and/or method of invoicing,
- 2.01.03 location where payment is to be made,
- 2.01.04 grace period is allowed (if any),
- 2.01.05 consequences of non-payment, and
- 2.01.06 schedule and notification of reports due to the funding agency.

2.02 Invoices will be transmitted by the OSRS 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/or the TVMDL Finance Office responsible for the account.

2.03 Monitoring the receipt of payments by the OSRS.

2.03.01 When payment is received, payment will be posted to FAMIS Screen 634. The OSRS is responsible for monitoring this site for payment information.

2.03.02 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 OSRS specifying that payment is due immediately. A copy of this notice will be forwarded to the PI and TVMDL Finance Office.

2.03.03 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, TVMDL Finance Office, and the

Director. This notice will specify that the payment is past due and that the contractor/grantor is in default.

2.03.04 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 TVMDL Finance Office and the Director. The PI will be notified to terminate the expenditures immediately.

2.03.05 If payment is not received, within two weeks, the contract will be terminated. If the PI and Director 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.

2.04 The OSRS 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.

3.00 PRINCIPAL INVESTIGATOR RESPONSIBILITIES

3.01 The Principal Investigator (PI) is responsible for:

3.01.01 Compliance with all the terms and conditions of the contract with the sponsor.

3.01.02 Management of project funds within approved contract guidelines and the budget.

3.01.03 Ensuring all staff involved in the project are familiar with the terms and conditions of the agreement.

3.01.04 Preparation and submission of required technical reports following notification by the OSRS.

3.01.05 Preparation and submission of required budget changes.

3.01.06 Adherence to System Policies and Regulations, and TVMDL Rules and Procedures for handling intellectual property.

3.01.07 Following TVMDL procedures for variations in indirect cost rate (IDC).

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

4.00 FINANCE OFFICE RESPONSIBILITIES

4.01 The Finance Office staff will:

4.01.01 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

4.01.02 Work with the PI to ensure all expenditures are within project, System, and TVMDL guidelines and agreement dates.

4.01.03 Monitor the account balance and work with the PI to ensure that project expenditures do not exceed budgeted amount.

4.01.04 Monitor expenses against account end date to ensure expenditures are within the project term.

4.01.05 Ensure the PI is aware of project budget remaining.

4.01.06 Reconcile or verify account balances monthly in FAMIS

4.01.07 Monitor payments from sponsor through FAMIS screens 634 by account number or 635 by invoice number, and work with the PI and OSRS to assist in collection as necessary.

4.01.08 Prepare account for closeout within 60 days of termination date as required by TVMDL rules, procedures, and guidelines.

4.01.09 Monitor Historically Underutilized Business (HUB), Minority Business Enterprise (MBE), and Women Business Enterprise (WBE) use according to the terms of the contract.

5.00 OSRS RESPONSIBILITIES

5.01 The OSRS will have primary responsibility for negotiating contract terms and the standard indirect cost (IDC) rate with the sponsor. In addition the OSRS Office will:

5.01.01 Set up FAMIS account and send required documentation to the Finance Office for the account to be set up in the bookkeeping system.

5.01.02 Submit financial reports according to contract terms.

5.01.03 Review expenses for contract compliance, including ensuring salaries and other expenditures assigned to project subsequent to termination date are not allowed.

5.01.03 Monitor deliverables schedule, including required annual and final reports, and send reminders to PI of due dates.

5.01.04 Submit close out paperwork to sponsor.

5.01.05 Close account on FAMIS within 90 day closeout period.

5.01.06 Process cost overrun or disallowed expenses within the 90 day close out period.

5.01.07 Return excess funds to sponsor or to TVMDL per contract terms after the 90 day close out period.

5.01.08 Perform subcontract risk analysis and monitor subcontracts for compliance with budget expenditures and other contract terms.

6.00 FEDERAL COOPERATIVE AGREEMENTS

6.01 TVMDL will have the primary responsibility for negotiating contract terms for cooperative agreements for diagnostic testing. All cooperative agreements will be signed by the Director or designee. TVMDL will:

6.01.01 Set up FAMIS account and maintain required documentation of the agreement.

6.01.02 Submit monthly reimbursement requests required for payment of testing done and supplies purchased under the terms of the agreement.

6.01.03 Monitor testing under the agreement, ensuring deliverables are met.

6.01.04 Submit quarterly budget and accomplishment reports under the terms of the agreement.

6.01.05 Submit close out documentation within 90 days of the expiration of the agreement.

For questions, contact the TVMDL Assistant Agency Director for Finance at 979-458-3254, or the Office of Sponsored Research Services 979-845-4781.

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