

Newark Grants Office FAQ's

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1. What is a grant?

Financial assistance in exchange for conduct of research or other program as specified in approved proposal.

2. What is a contract?

A contract is a legally binding agreement for the procurement of a product or service with specific

obligations from both the sponsor and Rutgers.

3. What is the difference between the Newark Grants Office (NGO) and the Post Award Department?

There isn't any. These are different names for the same department. Our formal name is the Newark Grants Office.

4. What are the responsibilities of the Newark Grants Office?

Our responsibilities are to serve as the primary resource office for all grants and contracts related accounting issues and questions. We are charged with ensuring financial compliance with sponsors' policies. We establish accounts, review expenditures, prepare billings and financial reporting. We are the main liaison with the Division of Grants and Contracts in New Brunswick. We also close out expired accounts.

5. What do I do when I receive an award notice?

If Research Office did not notify you about the award, contact that Office immediately since all award processing has to go through them first. Also, read through the award letter to thoroughly review the terms and conditions to become knowledgeable with them since you will need to apply that knowledge to the proper administration of the award.

6. How should I proceed after receiving notification that an account has been set up?

First of all, you need access to the account in Online Financial Information System (OFIS). This is the official record of the financial status of all your grants and contracts. It is the General Ledger of the University. It is very important to first gain [access](#) to this system and then know how to read the screens. Access to OFIS has to be approved by the Business Manager in your unit who is the budget responsibility custodian. It is then forwarded to the Director of Business Services. The Director approves access request based on the Business Manager's approval then forwards it to the Controller's Office. It is after this final approval that access is finally granted. Secondly, assuming you now have access, check the budget figures in OFIS against the award letter or the Principal Investigator's budget sheets attached to the proposal. If there are discrepancies, contact Newark Grants Office immediately.

7. What are the fringe benefit rates?

Fringe benefit is the cost of employee benefits to Rutgers University. The fringe benefit rates depend on the employee type and the sub codes being used. The following link shows shows the different benefit rates:

<http://orsp.rutgers.edu/proposal.asp#Fringe/20Benefit/20Rates>

8. What are the Facilities and Administrative (Indirect) Cost Rates?

Costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an institutional activity, or any other institutional activity. Costs related to expenses incurred in conducting or supporting research or other externally funded activities but not directly attributable to a specific project. General categories of F&A include general administration, sponsored program administration, plant operation and maintenance, and student administration and services. The following link shows the costs:

<http://orsp.rutgers.edu/FormsAndInstructions/FARateagr.pdf>

9. What is Modified Total Direct Costs (MTDC)?

This is Total Direct Costs (TDC) less excludable categories (object codes) in trying to arrive at the MTDC base used to calculate F & A (Indirect) Costs. The most frequently used excludable categories (object codes) are:

- Equipment > \$5,000
- Tuition and Fees
- Stipends
- Subcontracts after the first \$25,000 (for each subcontract)
- Participant Support Costs

10. What is Cost Sharing?

It is that portion of the project or program costs not borne by the federal government, state or other agency or department sponsoring the project or program. Cost Sharing can be accounted for as:

- State Cost Sharing- State Funds are being used;
- Non-State Cost Sharing- Non State Funds are being used;
- Third Party Cost Sharing- Outside Sponsor e.g. corporation, foundation;
- In-Kind Cost Sharing- contribution of labor, machinery, etc., instead of money.

11. How much time do I have to do Cost Transfers?

30 days and transfer must meet final cost deadline.

12. What are my responsibilities as a Departmental Administrator / Business / Accounting Staff?

Insures all required paperwork is completed and submitted to establish accounts. Reconciles monthly ledgers of expenditures and take corrective actions timely e.g. addressing overdraft accounts and taking appropriate actions to transfer to alternative sources, processing of salary allocations. Expedite processing of documentation for purchases and appointment of personnel

Assist with budgetary issues; Insures compliance issues, such as timely closeout of awards.

13. What is the procedure involved, after an award has been received, in establishing a new account?

The Newark Grants Office is responsible for the setting up of the account but only after the following procedural steps have been followed:

- If Research Office did not notify you of the award, contact that Office immediately (973-353-1537). You may need to provide them with the necessary paperwork (endorsement form, award letter, budget breakdown, contract agreement, etc).
- After all the necessary paperwork has been received and processed by Research Office into the system, that department will issue an abstract to the Newark Grants Office. This abstract is the green light to start the post award process.
- Once this information is being fed into the grants and contracts database, Department of Grant and Contract Administration (DGCA) in New Brunswick will issue a transmittal number via email.
- The above transmittal number will in turn give the Newark Grants Office authorization to access the particular award information and assign an account number and thereby complete the account set up.

14. What are some of the important issues which one should take into consideration when managing a grant or contract?

The following are some of the important issues:

- The principal investigator (PI) cannot spend more than the awarded amount. You need to monitor the account to avoid over expenditure. This may involve doing some projections in anticipation of future expenses.
- If the PI would like to re-budget funds, please check the terms and conditions of the award and the policies and procedures of Rutgers. If this is a federal or state grant/contract, you may want to refer to the Office of Management and Budget (OMB) Circulars: A-21, A-110, A-133 for general Cost Policies and Cost Principles.
- Please identify and adhere to other restrictions e.g. prior approval from sponsor for overspending a specific line item, certain unallowable expenditures, proper and adequate documentation for certain transactions, etc.
- Timeliness for submission of adjusting and closing journal entries for cost transfers, submission of salary reallocation forms, cancellation of bad commitments.
- Review accounts for proper and appropriate coding of expenses. If an expense has been improperly coded, reclassify to its proper code.
- Review the monthly Grant Budget Reports at least once per month. This will help reduce the number of discrepancies while reconciling the grant/contract at the end of its performance period.

15. What are payroll position codes used for?

The payroll position codes help the Payroll Department properly classify employees into their rightful categories and sub codes. This is very important since the sub codes will trigger the

associated fringe benefit rates will be charged.

16. What are the travel policies for travel-related expenses charged to grants and contracts?

http://postaward.rutgers.edu/Travel_Policy.htm

17. What are the requirements for state salary allocation to grants and contracts?

They must be prepared on the State Salary Allocation Form and submitted by the deadline.