

ADMINISTRATIVE DIVISION FINA Administration and Finance		POLICY NUMBER FINA 3.00
POLICY TITLE Sponsored Awards		
SCOPE OF POLICY USC System		DATE OF REVISION November 12, 2024
RESPONSIBLE OFFICER Executive Vice President for Finance and Chief Financial Officer		ADMINISTRATIVE OFFICE University Finance – Controller’s Office

PURPOSE

The purpose of this policy is to define applicable areas of responsibility and ensure compliance with federal and state regulations as well as sponsors terms and conditions for sponsored awards management.

DEFINITIONS AND ACRONYMS

Cost Share: A commitment required by the sponsor to use resources other than the award itself for the completion of project objectives (e.g., departmental funds, third-party cash match, or third-party in-kind). Matching, cost contribution, in-kind, and “buy-in” are also terms used to refer to the share of sponsored award costs which are required to be borne by sources other than the sponsor’s funding.

Participant Support Costs: Direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants and trainees, but not employees, in connection with conferences/trainings or projects (defined by 2 CFR 200.1).

Post-Award: Activities that occur after the sponsored award’s execution (e.g., award/account setup, financial reporting, expenditure monitoring, award close-out, etc.).

Pre-Award: Activities that occur prior to the sponsored award’s execution (e.g., proposal creation/submission, award negotiations, etc.).

Program Income: Gross income earned by the University that is directly generated by a supported activity or earned as a result of the sponsored award during the period of performance (defined by 2 CFR 200.80).

Sponsored Award: Funding from an external entity (e.g., federal, state, local, commercial, philanthropic, etc.) for an activity/project with a defined scope and purpose undertaken by the University with the expectation of an outcome that directly benefits the provider.

POLICY STATEMENT

This policy is applicable to all campuses, units, departments, centers, and individuals who are involved with the initiation, administration, and conduct of sponsored awards.

A. Requirements

1. Federal sponsored awards must adhere to Uniform Guidance (2 CFR 200) and any applicable state laws/regulations and sponsor requirements. Non-federal sponsored

awards commonly refer to Uniform Guidance in their terms and conditions, making them subject to the same requirements. All sponsored awards must also adhere to the terms and conditions outlined in the respective Notice of Award. The most restrictive requirement must always be applied.

2. When procuring goods or services using sponsored funding, established federal, state, and University regulations must be adhered to. Circumvention of existing regulations, including Purchasing Department and Human Resources policies, is not authorized.
3. The University is a U.S. dollar-based institution. As such, the University only accepts and invoices funds in U.S. dollars. Accepting foreign currency presents unique challenges in the collection of funds, including, but not limited to, significant delays, additional layers of fees, higher administrative time and costs, and foreign exchange risks that could result in less than full payment after conversion to U.S. dollars.

B. Responsibilities

1. The Office of Sponsored Awards Management (SAM) serves as the University's central administrator of **pre-award** sponsored award functions across the University system, including proposal preparation and award negotiations as well as post-award modifications (e.g., extensions, re-budgets, etc.).
2. Grants and Funds Management (GFM), a division of the Controller's Office, is responsible for the accounting and management of **post-award** sponsored award functions across the University system, which includes the following duties:
 - a. Setting up sponsored awards in the financial system.
 - b. Monitoring all post-award sponsored program expenditure activity.
 - c. Reviewing expenditures for compliance with grant terms and Uniform Guidance.
 - d. Preparing and submitting all invoices for sponsored programs, applying payments, and performing collection efforts as necessary.
 - e. Preparing all financial reporting and providing financial status information to sponsors.
 - f. Completing close-out of all sponsored awards in the financial system.
 - g. Preparing and negotiating indirect cost rate agreement.
 - h. Managing external sponsor audits.
3. Departments, including the PI, are ultimately responsible for ensuring all expenditures, including cost share, are posted to the sponsored award in an accurate, complete, and timely manner.

4. Individual PIs and departments **should not** submit invoices directly to the sponsor. All invoices for sponsored awards are system generated and submitted for payment by GFM to the sponsor.

C. Indirect Costs

SC Code of Law Section 2-65-70 authorizes all agencies receiving federal grants or contracts to recover the maximum allowable indirect costs on sponsored awards, subject to applicable federal laws and regulations. An approved indirect cost rate or cost allocation plan is required.

D. Cost Sharing

1. 2 CFR 200.306 requires only mandatory cost sharing or cost sharing specifically committed in the project budget to be included in the organized research base for computing the indirect cost rate or reflected in any allocation of indirect costs. To be considered acceptable as cost-sharing, including third-party cash match and third-party in-kind match, contributions to a project must meet the following criteria:
 - a. Verifiable by University records.
 - b. Defined as an acceptable form of cost-sharing for the specific project.
 - c. Allowable, allocable, necessary, and reasonable for proper and efficient accomplishment of project objectives.
 - d. Not chargeable to or included as a contribution for any other sponsored award.
 - e. Provided for in the approved budget when required by the awarding agency.
 - f. Conform to other provisions of 2 CFR 200.306.
2. Required cost-sharing obligations must follow applicable regulatory and sponsor requirements and must represent achievable commitments that are capable of being fulfilled from acceptable resources available to the PI, unit, department, or center. SAM provides guidance on proposal submission.

E. Program Income

Program income must be accounted for in accordance with 2 CFR 200.307 and sponsor requirements.

F. Participant Support Costs

Participant support costs are allowable with proper inclusion in the budget proposal and prior sponsor approval. Participant support costs are not routinely allowed on sponsored research projects. Typically, these expenditures are only incurred for projects that include an education or outreach component.

PROCEDURES

The accompanying procedures provide additional details on the administration and management of this policy and references to training and resources. The procedures can be found here:

https://sc.edu/about/offices_and_divisions/controller/toolbox/policies_and_procedures/index.php

RELATED UNIVERSITY, STATE, AND FEDERAL POLICIES

[SC Code of Law 2-65 South Carolina Federal and Other Funds Oversight Act](#)

[BUSA 7.00 Purchasing](#)

[FINA 1.00 Chart of Accounts](#)

[FINA 2.14 Acquisition and Payment of Goods and Services](#)

[FINA 3.12 Time and Effort Reporting](#)

[FINA 3.35 Cost Transfers](#)

[FINA 3.40 Cost Accounting Standards](#)

[FINA 5.10 Cash Management](#)

[HR 1.78 Dual Employment](#)

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
October 18, 2006	Policy creation
April 20, 2015	Policy revisions due to departmental reorganization and name changes
November 12, 2024	Consolidation, language, content, and formatting updates