Documenting Budgeted Items to Meet Uniform Guidance

It is a common misperception that if a budget item is in the proposal budget, then it is approved by the sponsor if the award is funded. When it comes to the purchase of supplies and services, this is far from the case. Purchases on grants are required to meet the guidelines of the Uniform Guidance (UG) whether you are purchasing items or services. The UG has set five purchasing guidelines Micro-Purchases (those under $5,000), Small Purchases ($5,000-$150,000), Sealed Bid (normally construction), Competitive Proposal (RFP process) and Sole Source.

A sole source is only awarded under four circumstances; the item is only available from a single source; public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or after solicitation of a number of sources, competition is determined to be inadequate.

If you are submitting a proposal for supplies or services over $5,000, you should have already performed a competitive pricing review to ensure that you will be able to substantiate your selection. If you are unfamiliar with the requirements, you should work with Purchasing to gather the necessary information. Purchasing will require the documentation at the time a purchase order is requested. If you did not document any solicitation process, then Purchasing will be required to follow the purchasing guidelines set forth in the UG and the vendor presented in your proposal may not be allowable per the guidelines.

Grant Budget Periods

Most grants have time periods for which the sponsor intends to pay for the proposed services. These services may be for research, training or public service projects. Federal grants have both project periods, which spans the entire lifetime of the grant, and budget periods that span from annual up to five years for awards funded under the streamlined non-competing award process (SNAP).

Budget periods have strict guidelines for when the funds can be expended. Funds must be expended prior to the last day of the budget period, or they must be expensed on the next year of the grant. If the award is in the final budget period, no purchases after the budget end date are allowable expenses to the grant. Although the project may continue after the sponsor funding is over, that does not mean that expenses will continue to be allowable. Expenses around the end of a budget period is the first test that the external auditors perform each year and is low hanging fruit to determine compliance of the University with Federal guidelines.

Please remember that if you submit a cost transfer during the eCRT Pre-Review period, do not approve the effort until the cost transfer has posted. This causes extra work for the faculty member.

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