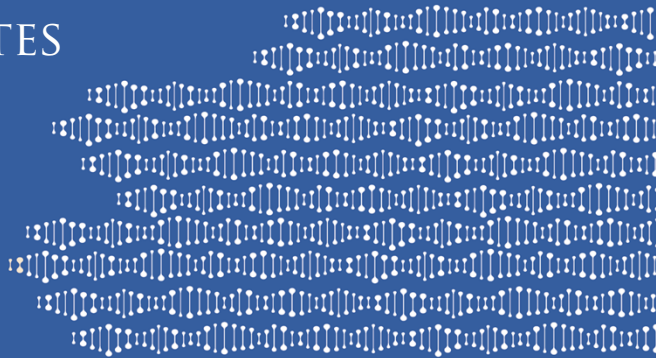




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# THE CPRIT GRANT POST-AWARD PROCESS: 2018 UPDATES



CY2018

## WELCOME & INTRODUCTIONS

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## TRAINING OVERVIEW

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- Introductions
- Compliance Program
- Required Reporting
- Change Requests/Grant Closeout
- Administrative Rule Changes
- Q & A



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3

## GRANT REQUIREMENTS SOURCES

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- Texas Health and Safety Code Chapter 102
- Texas Administrative Code, Title 25, Chapters 701–703
- CPRIT Policies and Procedures Guide
- Uniform Grant Management Standards
- Grant Contract
- Request for Applications (RFA)



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4

## GRANTEE RESOURCES

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### Policy and Procedure Guide

[http://www.cprit.texas.gov/images/uploads/policy\\_and\\_procedure\\_guide\\_06122017.pdf](http://www.cprit.texas.gov/images/uploads/policy_and_procedure_guide_06122017.pdf)

### Other Grantee Resources

<http://www.cprit.texas.gov/funded-grants/grantee-resources/>

### Statutes, Rules, & Policy Guide

<http://www.cprit.texas.gov/about-cprit/laws-rules-and-guidelines/>



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5

## POLICY & PROCEDURE GUIDE

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- Provides a framework for the review, award, and implementation, and monitoring of CPRIT-funded grant awards
- Guide is not all-inclusive
- Grantee should always consult administrative rules and award contract
- If a conflict exists, then provisions of state regulations, administrative rules, or contract provisions will prevail over the P&P Guide



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6

## POLICY & PROCEDURE GUIDE

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- Changes to the Guide are made at least annually
- Grantees are encouraged to consult the most recent version of the Guide on CPRIT's website (vs. printing a copy) due to ongoing revisions
- Questions regarding the Guide – [cpritpolicyguide@cprit.texas.gov](mailto:cpritpolicyguide@cprit.texas.gov)



## COMPLIANCE PROGRAM OVERVIEW

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### Post-Award Grant Monitoring

- On-Boarding / Annual Training
- Risk Assessments (Annually/Quarterly)
- Compliance Monitoring Reviews
  - Desk Reviews, On-site Reviews, Ad-hoc Reviews
- FSR 2<sup>nd</sup> Level Reviews
- Annual Attestation
- Single Audit Reviews



## COMMON COMPLIANCE REVIEW FINDINGS

- **Procurement Process [UGMS, Subpart C.36, Texas Government Code 2254] (Contractor, vendor, and consultant selection)**
  - Follow written procurement procedures
  - Maintain records relating to method, selection, and pricing
- **Subcontractor Monitoring**
  - Follow written monitoring procedures
  - Maintain records relating to monitoring efforts



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9

## COMMON COMPLIANCE REVIEW FINDINGS

- **Debarment Checks**
  - Maintain debarment check search results
    - <https://comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/debarred-vendors.php> or
    - <https://www.sam.gov/portal/SAM/#1>
- **Cash Management (Interest-Bearing Account)**
  - Support for advanced funds kept in interest-bearing account
- **Lack of Documented Policies and Procedures**



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10

## COMMON COMPLIANCE REVIEW FINDINGS

- **Publications**
  - (no CPRIT acknowledgement, no PubMed ID, publication not CPRIT funded)
- **Matching Compliance Certification (MCC)**
  - (MCC) and Rate Agreement (FICR) do not match
- **Inaccurate reporting (FSR, MCC, SAD)**
- **Timely Submission of Required Reporting**



## CONSEQUENCES OF NON-COMPLIANCE

- **Withhold Reimbursement/Advancements**
- **Waive Reimbursement**
- **Termination of the Grant**
- **Ineligible to receive additional grants**



## FRAUD, WASTE, & ABUSE

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**Fraud** - generally defined as any intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to that person or some other person



## FRAUD, WASTE, & ABUSE

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**Waste** - overutilization of services or other practices that, directly or indirectly, result in unnecessary costs. It is not generally considered to be caused by criminally negligent actions, but by the misuse of resources.

**Abuse** - Payment for items or services when there is no legal entitlement to that payment and the individual or entity has knowingly and/or intentionally misrepresented facts to obtain payment.



# FRAUD, WASTE, & ABUSE

## How do I Make a Report?

(Users can remain anonymous)

**Use Client Code #5124633190**

Call

1-877-64-RedFlag  
(1-877-647-3335)

Online

[www.RedFlagReporting.com](http://www.RedFlagReporting.com)



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# FRAUD, WASTE, & ABUSE

**Red Flag Reporting**

*Report concerns safely, securely and anonymously 24/7.*

If you are uncomfortable with a situation, *Be Proactive.*

Red Flag Reporting is your hotline for:

- fraudulent activity / theft,
- misconduct,
- safety violations,
- unethical behavior.

Protect your organization and your co-workers.

*Because Every Employee Deserves to Feel Protected and Safe.*

Click [www.RedFlagReporting.com](http://www.RedFlagReporting.com)  
or  
Call 1-877-64-RedFlag (1-877-647-3335)  
Client Code - 5124633190



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## DUTY TO NOTIFY

### Contract Section 9.07

Grantees are under obligation to notify CPRIT at the same time it is required to notify any Federal or State entity of any unexpected adverse event or condition that materially impacts the performance or general public perception of the conduct or results of the project and CPRIT-funded activities



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17

## SUBCONTRACTORS

### Uniform Grants Management Standards (UGMS) Attachment A - B.22

- “Subcontractor” means a purveyor of goods or services engaged by a primary contractor to provide goods, services or both through a procurement relationship generally available to any purchaser for a stated price
- Such goods or services may contribute to carrying out some portion of a scope of services for which grant funds are expended and they constitute procurement



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18

## SUBCONTRACTORS

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### Contract Section 2.08

- All subcontracts shall be in writing and shall be subject to the requirements of the CPRIT contract
- Grantees shall enter into and maintain a written agreement with each permitted contractor with terms and conditions sufficient to ensure that the Grantee and contractor fully comply with the terms of the CPRIT contract



## RECORD RETENTION

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- All grantees and their subcontractors paid with grant funds are expected to create and maintain **complete** and **auditable** fiscal records.
- Grantees must maintain records pertaining to the specific Grant Contract for a period of **three years** following the date the last disbursement of funds is made by the Institute or all reports required pursuant to the Grant Contract are submitted and approved, whichever date is later.



## RECORD RETENTION

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- The grantee **must** make all documents and electronic records related to the grant contract available for inspection during regular working hours upon the request for review, investigation, or audit.
- Annual financial statements, tax returns, and budgets may be requested.



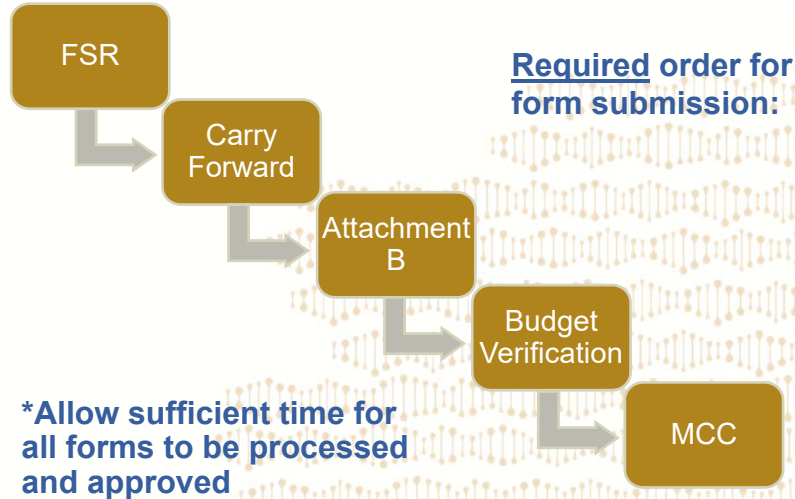
## COMPLIANCE PROGRAM/MONITORING

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Q & A



## SLIDE OF THE DAY



## REPORTING REQUIREMENTS

- Financial Status Reports (FSRs)
- Matching Compliance Certification (MCC)
- Inventory Report
- Revenue Sharing Form
- Historically Underutilized Businesses Report (HUB) / Texas Suppliers Form
- Progress Reports
- Single Audit Determination (SAD)



## REPORTING REQUIREMENTS

### Annual

- Inventory Report
- Revenue Sharing Report
- HUB/Texas Suppliers Form
- Matching Compliance Certification\*
- Single Audit Determination Form
  - Annual Progress Report
  - Audit Report

\*ONLY applies to Academic Research/  
Product Development Research Grants

### Quarterly

- Financial Status Report
- Quarterly Progress Report\*\*

\*\*ONLY applies to  
Prevention Grants

### Periodic

- Interim /  
Tranche Report



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25

## REQUIRED REPORTING & DUE DATES

- **Financial Status Reports (FSRs)**
  - Due 90 days after the state fiscal quarter
- **Matching Compliance Certification (MCC)**
  - Due 30 days following the FSR due date of the last quarter of the grantee's project year
- **Progress Reports**
  - **Quarterly** – due 15 days after the state fiscal quarter
  - **Annual** – due 60 days after the anniversary of the contract effective date
  - **Tranche/Interim** – due upon completion of specific milestone/per program requirements



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26

## REQUIRED REPORTING & DUE DATES

- **Inventory Report**
  - Due 60 days after the anniversary of the grant contract effective date
- **Revenue Sharing Form**
  - Due 60 days after the anniversary of the grant contract effective date
- **Historically Underutilized Business Report (HUB) / Texas Suppliers Form**
  - Due 60 days after the anniversary of the grant contract effective date



## REQUIRED REPORTING & DUE DATES

- **Single Audit Determination (SAD)**
  - Due 60 days after the grantee fiscal year end date
- **Final Reporting/Close Out Documents**
  - Due 90 days after the grant contract termination date
  - **Except Final FSR** - due 90 days following the end date of the last state fiscal quarter that includes the termination date of the grant contract



## REQUIRED REPORTING



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## REPORTING

- **Technical Issues?** Contact CPRIT Helpdesk
- **Programmatic/Content questions?** Contact the CPRIT Program Manager
- **Financial Questions/Issues?** Contact CPRIT Finance Manager/Grant Accountant



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# REPORTING

- No disbursement of grants funds will be made until **all** required financial and programmatic reports are approved
- If errors are made or adequate information is not provided, report will be disapproved and sent back for rework
- Allow enough time for ASO approval and submission **before** deadline

# FINANCIAL STATUS REPORTS

Fiscal Quarter/ Reporting Period	FSR Due Date	Last Day of Grace Period
Sept 1 – Nov 30	Feb 28	Mar 30
Dec 1 – Feb 28	May 29	June 28
Mar 1 – May 31	Aug 29	Sept 28
June 1 – Aug 31	Nov 29	Dec 29



## FINANCIAL STATUS REPORTS (FSRs)

- FSRs are due 90 days after the end of the state fiscal quarter
- Grantees have a 30 day grace period after the FSR Due Date
- Reimbursement of project costs incurred during the reporting period **will be waived** if the FSR is not submitted within 30 days of the FSR due date



## FINANCIAL STATUS REPORTS

- Grantees can request a deferment for filing an FSR; however, the deferral request must be submitted **on or before** the FSR Due Date
- Deferment Process Overview
  - If approved, FSR must still be submitted in CARS-CGMS with zero expenses
  - Expenses should be included in the subsequent FSR



## FINANCIAL STATUS REPORTS

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- Supporting documentation should be in same order as amounts listed on the expenditure report
- Grantee must upload all supporting documentation **at the time** FSR is submitted



## FINANCIAL STATUS REPORTS

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- The grantee should provide a summary report of expenses, such as a general ledger (GL), which can be produced directly from an accounting system or itemized on an Excel spreadsheet
- The report must contain the following information: expense categories, itemized expenses, description of items, date paid, and amount paid with expense totals by category



## FINANCIAL STATUS REPORTS

- If date paid information cannot be found in the summary report, **it should be noted on invoices**
- In addition to the summary report of expenses, a grantee must provide documentation to support expenses reported for each category
- Make sure payment dates are listed for **all** transactions



## FINANCIAL STATUS REPORTS

- Report only expenses **paid** during the current reporting period
- ***Payroll is an exception to this requirement***
- Invoices outside of quarter require justification
- A payment claimed for a period earlier than the current period should be accompanied by a letter or memo explaining the extenuating circumstance that the payment was not claimed in the appropriate period



## FINANCIAL STATUS REPORTS

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- Grantee must summarize and tie all submissions where applicable. Failure to accomplish this could delay reimbursement.
- CPRIT program staff will check totals and will not piece together general ledger total or interpret accounting practices



## FINANCIAL STATUS REPORTS

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- Supporting documentation for each expense must be legible. The documentation must be numbered, cross referenced, and organized by the grantee in a manner that is easily identifiable by CPRIT staff.
- Supporting documentation must be maintained on-site



## FINANCIAL STATUS REPORTS

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- Requests for additional documentation require a response **within 21 days**
  - After 21 days, FSR will be disapproved
- Authorized Signing Official (ASO) **must** review and confirm accuracy and completeness of supporting documentation and that they are uploaded into CGMS **before** approving the FSR



## FINANCIAL STATUS REPORTS

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### Timesheets / Records of Actual Time Worked

- Except as noted for employees of academic institutions and other governmental entities, time sheets or other records of actual hours worked **must**:
  - Reflect an after-the-fact distribution of the actual time spent on each activity;
  - Be signed by the employee and supervisor having first-hand knowledge of the activities performed by the employee



## FINANCIAL STATUS REPORTS

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- An electronic means to sign timesheets is acceptable provided the grantee can demonstrate and document that only the employee's actions would result in the identification of the activities to be charged, and that it complies with UGMS (Attachment B, paragraph 11.h)



## FINANCIAL STATUS REPORTS

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...time sheets or other records of actual hours worked **must:**

- Be prepared at least monthly and coincide with one or more pay periods
- Account for the total activity for which employees are compensated by the organization; and



## FINANCIAL STATUS REPORTS

...time sheets or other records of actual hours worked

**must:**

- Identify the various programs/cost objectives and time that the employee worked each day on a specific program/cost objective.
- Budget estimates, time studies or other distribution percentages determined before the services are performed do not qualify as support for grant expenses.



## FINANCIAL STATUS REPORTS

- Overtime is an allowable expense
- An overtime premium (rate of pay of more than one-and-a-half times the standard compensation), is **not** allowable except under the following conditions:
  - With the prior written approval of CPRIT;
  - Temporarily, in the case of an emergency or an occasional operational bottleneck;



## FINANCIAL STATUS REPORTS

### **Continued** – Overtime premium exceptions:

- In performance of tests, laboratory procedures, or similar operations that are continuous in nature and cannot reasonably be interrupted or otherwise completed; or
- When lower overall cost to CPRIT will result



## FSR – PERSONNEL / FRINGE

### **Common Errors**

- Missing timesheets
- Missing certification of time
- Missing payroll ledger
- Tuition payments - employee is not listed on Personnel Level of Effort (PLOE)
- PLOE not valid for current reporting period
- Missing breakdown of types of fringe





## PLOE & NON-KEY PLOE

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- **Effective March 1 – May 31 fiscal quarter**, (FSR due August 29) **all** personnel, including any changes, are required to be reported in CARS-CGMS on the Personnel Level of Effort (PLOE) form
- Non-Key PLOE has been **discontinued**



## PLOE

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### **PLEASE NOTE:**

- When grant moves to closeout status from active status (equivalent to the contract end date), the PLOE **cannot** be revised in CARS-CGMS, and any expenses related to personnel not listed on the PLOE **will not be reimbursed**.



## PLOE

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- If you are submitting salary expenses for an employee on the financial status report, show the position name, title, and level of effort on the PLOE prior to submitting for payment
- Keep PLOEs current (if end date prior to FSR period, submit new PLOE with FSR)
- For No Cost Extensions (NCEs) the PLOE comes in as a zero by default – make sure PLOEs are current and accurate for NCEs



## FSRs

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### **PLEASE NOTE:**

- For academic institutions, the Supplies and “Other” categories require invoices for any single expenditure equal to or greater than \$750. There is no minimum amount for **non-profits and for-profits**.
- Travel, Contractual, and Equipment categories require 100% documentation – **applies to all grantees**



## FSRs

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- A grantee whose organization has a central supply department that purchases supplies on behalf of the entire organization may provide the transactional document from the central supply department for the supplies received from that department as proof of expense



## FSRs - TRAVEL

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- Travel expense reports **must** be signed by the traveler and approved by the employee's supervisor
- A separate travel expense report should be submitted with all supporting documentation for **each trip** taken



## FSRs - TRAVEL

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- Travel expense report must include the following:
  - Grantee Name
  - Grant ID
  - Printed Name of the employee traveling
  - Date(s) of travel
  - Purpose of the travel
  - Itemization of expenses



## FSRs - TRAVEL

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- Employee must be listed on the Personnel Level of Effort (PLOE) form
- Personal insurance on a rental car is unallowable. CPRIT will cover insurance costs when insurance is purchased through the car rental agency



## FSRs - TRAVEL

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- Make sure dates of travel occur within PLOE period and update PLOEs before submitting FSR
- An otherwise allowable cost will not be eligible for reimbursement if the grantee incurred the expense outside the grant contract term
- An otherwise allowable cost will not be eligible for reimbursement if the benefit from the cost of goods or services charged to the grant award is not realized within the applicable term of the grant award



## FSRs - TRAVEL

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- If per diem for meals is requested on the travel authorization, an expense report and meal receipts are not required
- Expenses for alcohol and gratuity are **unallowable**
- A grantee whose organization has a central travel department that books airline flights for all employees may provide the transactional document from the central travel department for airfare purchases as proof of expense (should be accompanied by an expense report)



## FSRs - TRAVEL

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### Common Errors

- No travel authorization submitted
- Multiple meals on one receipt
- PLOE is not updated to cover personnel and dates of travel
- All receipts are not tied to amounts on front of expense report (and must tie those amounts to total on expense report)



## FSRs - TRAVEL

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### Common Errors

- Travel incidentals, meals, and lodging – identify which specific supporting documents/amounts are included in each individual amount
- If using travel/mileage system, inform grant accountant
- Receiving lump sum hotel expenses (need breakdown)



## FSRs - TRAVEL

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### Common Errors

- If splitting with another funding source, show percentage
- Receiving credit card receipt showing lump sum expenses (need to show breakdown)



## FSRs - CONTRACTUAL

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- Subcontractor, vendor, and consultant costs must be classified as contractual expenses on the FSR
- Indirect costs included on contractual invoices are non-allowable, unless the grantee is counting those indirect costs towards their 5% indirect costs reimbursement limit
- Submit copies of all invoices, regardless of amount
- If travel, must breakdown costs and submit supporting documentation



## FSRs - CONTRACTUAL

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- Documentation for grantee contractor travel expenses claimed under contractual should include the following:
  - Show the name or position of the traveler, purpose of travel, and provide detail about the costs by category, such as a breakdown of amounts for airfare, mileage, hotel, meals and other travel related costs.



## FSRs - CONTRACTUAL

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- Documentation for grantee contractor travel expenses claimed under contractual (continued):
  - If the contractor is not claiming per diem, documentation for meals and for transportation should include receipts for verification that no alcohol or tips are being included in the reimbursement.





## FSRs

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### **Allowable Costs**

- All costs charged to a CPRIT grant must meet the general allowability criteria established by the Uniform Grant Management Standards (UGMS)
- Although a cost may meet the allowability criteria established by UGMS, CPRIT may restrict or cap the reimbursement of allowable costs



## FSRs

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### **Allowable Costs**

- Any restriction and/or limitation of allowable costs will be specified in the applicable statute, administrative rule, contractual term (including the approved budget), or the request for application
- If the grant contract limits payment of allowable costs, the total allowable cost allocable to a CPRIT grant should still be captured in the general ledger and reported on the FSR



## FSRs

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### ***Allowable vs. Unallowable***

- Purchase of equipment, if not initially budgeted in the CPRIT proposal, requires prior approval
- Academic conferences may be paid for with CPRIT grant funds if they are in the budget
- In most cases, CPRIT grant awards only pay for two participants to attend the CPRIT Conference. Research Training Awards are exceptions to the two-attendee rule



## FSRs

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### ***Allowable vs. Unallowable***

- Invoices paid after the end of a financial quarter are unallowable. These costs should be reported in the following quarter's financial status report
- Generally, cost transfers processed after **90 days** are unallowable. Cost transfers are allowed to make corrections to bookkeeping errors
- Clothing purchases such as uniforms, lab coats, boots, etc. necessary to perform the project work are allowable, but they must be listed in the project budget



## FSRs

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### ***Allowable vs. Unallowable***

- Cell phone charges paid as supplemental payroll are unallowable. Payments directly to a cell phone provider are allowable
- Unallowable costs should not be recorded in the grantee's cost center



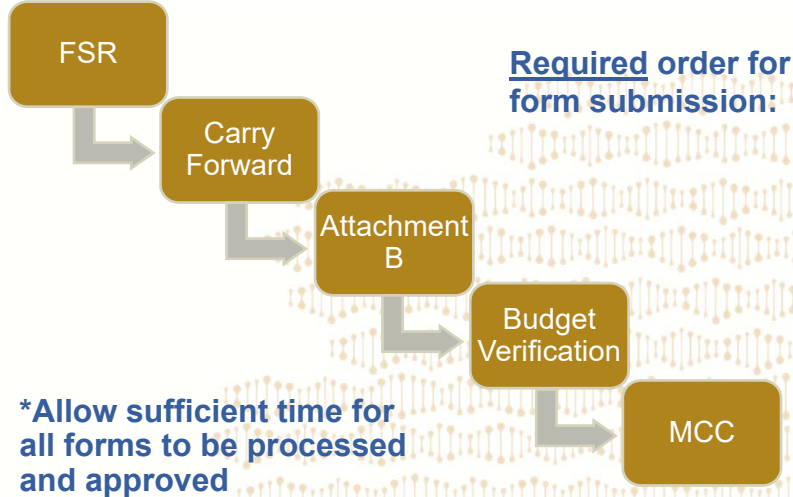
## REQUIRED REPORTING

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# Q & A



# YEAR-END FORM SUBMISSION



# NEW MCC FORM

	<b>Expenses</b>	<b>Encumbered</b>
	Verification of Current Year (Y1) Match	Certification of Next Grant Year (Y2) Match
<b>Public or Private Institution of Higher Education:</b> (Choose 'No' if You Are Using Encumbered Funds)	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No
Enter the federally approved indirect cost rate for on-campus research:	a. 58.5%	a. 58.5%
Enter the federally approved indirect cost rate for off-campus research:	b. 0%	b. 0%
Enter the percentage of the work for the project to be conducted on campus: (If no work will take place on campus, enter 0)	c. 100.0%	c. 100.0%
Enter the percentage of the work for the project to be conducted off campus: (If no work will take place off campus, enter 0)	d. 0%	d. 0%
<b>Federally Approved Cost Rate for Project:</b>	58.5%	58.5%

# NEW MCC FORM

<b>Matching funds Requirement + CPRIT Indirect Cost Rate:</b>	<b>55%</b>	<b>55%</b>
Federally Approved Cost Rate for Project:	- 58.5%	- 58.5%
Percentage to fulfill match requirement:	0%	0%
<b>Certified Year Approved Budget:</b>	<b>\$92,431.37</b>	<b>\$100,000.00</b>
Remaining Dollar amount to fulfill match requirement for the Award:	\$0.00	\$0.00
Match based on prior year credit/deficiency:	\$0.00	\$0.00
* Actual "Non CPRIT" Funds Expended**	\$0.00	
Total Non-State Funds Leveraged as a Match for Award	\$0.00	
* Enter Certification of Matching Funds Encumbered:		\$0.00



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# NEW MCC FORM

Award Year	Public or Private Institution of Higher Education?	Expended Funds	Match Based on Rate	Match Based on Prior Credit/Deficiency	Actual "Non CPRIT" Funds Expended**	Total Non-State Funds Leveraged as a Match for Award	Federal Approved Cost Rate	Match Credit Deficiency for Year
Award Year #1	Yes	\$92,431.37	\$0.00	\$0.00	\$0.00	\$0.00	58.5%	



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## MCC

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- Institutions of Higher Education may use their Federal Indirect Cost Rate to fulfill match requirement
- Institutions of Higher Education **must upload to each grant record** most current indirect cost rate agreement



## MCC

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### For Public or Private Institutions of Higher Education **ONLY**:

- If the grant recipient's Federally Approved Indirect Cost Rate is greater than or equal to 55% (the 50% matching funds requirement and the 5% CPRIT Indirect Cost Rate), then no further action is required once the appropriate information has been entered in lines "a" through "d" and in the "Enter Certification of Initial Matching Funds Encumbered" field below.



## MCC

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### For Public or Private Institutions of Higher Education ONLY:

- If the combined Federally Approved Indirect Cost Rate and the CPRIT Indirect Cost Rate calculated for the Project is less than 55%, then the grant recipient must use the section below to demonstrate that it has expenses, or encumbered funds available not yet expended, that are dedicated to the CPRIT-funded project for the portion of the match requirement not met by the Federally Approved Indirect Cost Rate credit.



## MCC

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- Must maintain a **separate account** for funds used to meet matching requirement
- Submit documentation of expenditures used to meet annual matching requirement
  - Examples may include the institution's FICR letter, copy of accounting report/documents including general ledgers, etc.
  - Invoices are not required to be submitted but must be maintained onsite



## MCC

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- In the event that a grantee's FICR changes **less than** six months following the anniversary of the effective date of the grant contract, the grantee may use the new FICR for the purpose of calculating the grantee's matching funds credit for the entirety of the grant year
- List of match expenses should be uploaded in ad hoc if indirect cost is not applicable or not sufficient to meet match requirement



## MCC

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- To count towards a grantee's matching funds obligation, the grantee's expenditure must be direct costs spent on the CPRIT-funded project or on closely related work.
- CPRIT considers work to be closely related to the CPRIT project if the work supports, extends, or facilitates the CPRIT project, even if the work is not supported by CPRIT funding.





## MCC

### Allowable Expenses Toward Match

- Any expense that can be claimed for grant reimbursement
- Unrecovered indirect costs up to ten percent (10%) of the grant award amount (in addition to 5% indirect costs claimed for reimbursement) if the grantee has a documented federal indirect cost rate or an indirect cost rate certified by an independent accounting firm (and is not a public/private institution of higher education)
- An employee's salary amount that exceeds CPRIT's \$200,000 cap for reimbursement based on that employee's level of effort documented on the PLOE



## MCC

### Allowable Expenses Toward Match

- Travel expenses that exceed the GSA per diem limit on hotel rates or meals provided that the expense is allowed in the grantee's documented travel policy
- Airfare costs that exceed coach class airfare provided that the expense is allowed in the grantee's documented travel policy
- Foreign travel related to CPRIT's funded project (does not require CPRIT prior approval)



## MCC

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### Allowable Expenses Toward Match

- Taxes that are effectively user fees such as hotel taxes, the gasoline tax, or taxes on airfare
- Immigration visa fees and associated costs for an employee identified on the PLOE but costs claimed must be proportionate to that employee's level of effort
- Professional association fees or dues if the membership is related to the CPRIT-funded project



## MCC

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### Allowable Expenses Toward Match

- Patent application fees and associated patent application preparation costs
- Moving costs of office furnishings or employees of companies relocating to Texas, depending on the circumstance of the relocation
- Security systems and ongoing security system monitoring fees for physical space such as labs



## MCC

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### Unallowable Expenses Toward Match

- Alcoholic beverages
- Food and beverage costs for groups
- Tips or gratuities
- Sales taxes
- Franchise taxes
- Liability insurance
- Contributions or donations
- Lobbying costs



## MCC

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### Unallowable Expenses Toward Match

- Fundraising
- Promotional items
- Fines and penalties
- Interest or finance costs related to debt
- Bad debt
- An honorary gift or gratuitous payment
- Entertainment, amusement, or social activities and related incidental costs



## MCC

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- Grant funds for the next project year will not be disbursed until the matching funds verification for the previous year and certification for the upcoming year have been approved



## MCC

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### **Subawardee Contribution Towards Match**

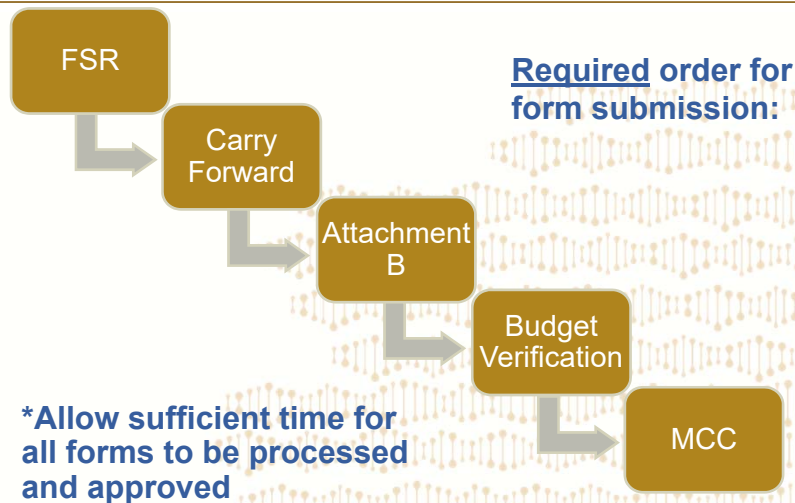
[T.A.C. 703.11(c)(6)] The subcontractor's or subawardee's portion of otherwise allowable Matching Funds for a Project Year may not exceed the percentage of the total Grant Funds paid to the subcontractor or subawardee for the same Project Year.



# MCC

- For grantees receiving advancement of funds, the annual matching certification is based on amount of funds advanced, **not** on amount expended
- **Example:**
  - Funds Advanced - \$1,000,000
  - Funds Expended - \$750,000
  - Required Match - \$500,000

# YEAR-END FORM SUBMISSION



## REQUIRED REPORTING

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# Q & A



## REPORTING - INVENTORY REPORT

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- Form is required even if you have not purchased or budgeted funds for equipment purchases
- Report equipment purchases with a unit price of \$5,000 or more
- Maintain a record of the equipment:
  - Purchase date
  - Cost
  - Location



## REPORTING - INVENTORY REPORT

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- Amounts **must** match numbers on last quarter FSR
- Title to equipment vests with the organization upon completion of the CPRIT-funded project



## REVENUE SHARING

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- Completing the form is **required** even if you have no revenue to report
- Maintain a separate account for revenue earned from grant funded activity, sales, etc.
- Keep complete and accurate revenue records
- Payments due to CPRIT shall be determined on a calendar basis and shall be paid quarterly within 30 days after the close of the calendar quarter



## HUB/TEXAS SUPPLIERS

- Grant recipients are expected to make good faith efforts to utilize HUBs in subcontracts for construction, commodities purchases, and other services, including professional and consulting services, paid for with Grant Award funds
- For goods and services purchased with Grant Award funds, grant recipient must make good faith efforts to purchase at least 50% from suppliers in the State of Texas



## HUB/TEXAS SUPPLIERS

- If more than 40% of Grant Award funds budgeted for a Project Year on goods and services outside of the State, Grantee must notify the Institute in writing and
  - provide an explanation (at bottom of form) of the good faith efforts undertaken to purchase from suppliers in the State,
  - including a statement that products and materials were not available in the State at a comparable price and time





## HUB/TEXAS SUPPLIERS

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- Form is **required** even if you have been unable to purchase from Texas suppliers or HUB(s)
- Complete form in its entirety or form will be disapproved
- Link to HUB Directory and vendor debarment list
- <https://mycpa.cpa.state.tx.us/tpasscmbsearch/index.jsp>



## REQUIRED REPORTING

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Q & A



## SAD FORM

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***Effective April, SAD forms and audits are to be submitted to CPRIT via email at [complianceprogram@cprit.texas.gov](mailto:complianceprogram@cprit.texas.gov)***

- Reporting will be at the grantee level
- Notifications in CGMS have been removed
- Manual process until further notice – Grantees received additional information via email in April



## AUDIT

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### ***Audit Requirement***

- If a grantee expends \$750,000 or more in state awards, they are required to submit a single audit, program-specific audit, or an agreed-upon procedures engagement
- Must be submitted within 30 days of receipt, but no more than 270 days after the grantee's fiscal year end



# AUDIT

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## **Audit Requirement**

- If a grantee is delinquent in filing required audit and/or corrective action plan –reimbursements and advances will be withheld and grantee is **ineligible** to be awarded a new or a continuation Grant Award



# SAD & AUDITS

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## Q & A



## PROGRESS REPORTS

- **Annual** - 60 days after the anniversary of the grant contract effective date
- **Quarterly\*** - 15 days after the end of the state fiscal quarter
- **Tranche/Interim** - Upon completion of milestones/per Program requirements
- **Final** - Within 90 days of grant contract termination date

\*PREVENTION ONLY



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103

## PROGRESS REPORTS

### Common Errors

- Incomplete report
- Overlap with previous reports
- Duplicate entries (publications, jobs, etc.)
- Missing PDFs for published and in press publications
- Inconsistencies between narrative and data entered



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104

## PROGRESS REPORTS

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# Q & A



## CHANGE REQUEST TYPES

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- Change – Not Otherwise Specified  
(e.g., add equipment purchases, tuition costs,  
foreign travel approvals)
- Goal or Objective Change
- Change of Organization Request
- Contract Amendment Change Request



## CHANGE REQUEST TYPES

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- No Cost Extension
  - Must be submitted at least 30 days but no more than 180 days prior to the Contract Termination Date
- PI Change Request
- Rebudgeting
  - Requests under 10% are automatically approved
- Personnel Level of Effort Change



## CHANGE REQUESTS

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### **Unless otherwise noted, Change Requests:**

- Require CPRIT approval
- All requests must be made via the dropdown under the Change Request Tab in CGMS



# GRANT CLOSEOUT

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## Close-Out Documents

- Final close-out documents include:
  - Financial Status Report
  - Final Progress Report
  - Annual Inventory Report
  - Historically Underutilized Business / Texas Supplier Report
  - Single Audit Determination Form
  - Revenue Sharing Form



# GRANT CLOSEOUT

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## Close-Out Documents

- Grantees must file final close-out reports **within 90 days** of contract termination date.
- **Exception:** Final Financial Status Report (FSR) is due 90 days following the end of the last state fiscal quarter that includes the termination date of the grant contract.



## GRANT CLOSEOUT

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### Close-Out Documents

- Grant institutions are ineligible to receive new or continuation grant awards if close-out documents aren't submitted **within 180 days** of the termination date for any grant.
- An institution will remain **ineligible** to receive new grant awards or continuation grant awards until the close-out documents are submitted.
- It is possible to request that the CPRIT CEO waive submission of close out documents.



## GRANT CLOSEOUT

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### Post Close-Out

- Certain contractual obligations extend beyond the grant contract termination date such as:
  - Single Audit or an Agreed Upon Procedures should be submitted by the due date.
  - If applicable, providing intellectual property information about product development activities and revenue sharing.





# GRANT CLOSEOUT

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## Post Close-Out

- Even though a grant is closed, certain forms and functions such as correspondence and the ability to upload Ad Hoc documents are still accessible in CGMS.



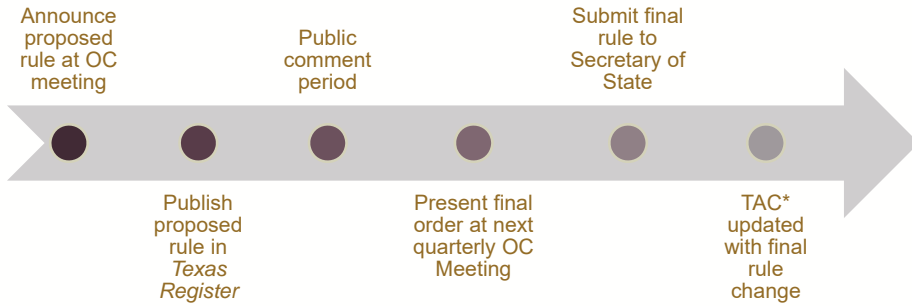
# CHANGE REQUESTS/GRANT CLOSEOUT

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## Q & A



# RULEMAKING TIMELINE



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\*TAC: Texas Administrative Code

# RULES ON CPRIT WEBSITE



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# TAC ONLINE

OFFICE of the SECRETARY of STATE

**Texas Administrative Code**

TITLE 22 HEALTH SERVICES  
PART 11 CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS

Chapters

CHAPTER 101 POLICIES AND PROCEDURES  
CHAPTER 102 INSTITUTE STANDARDS ON ETHICS AND CONFLICTS, INCLUDING THE ACCEPTANCE OF GIFTS AND DONATIONS TO THE INSTITUTE  
CHAPTER 103 GRANTS FOR CANCER PREVENTION AND RESEARCH

OFFICE of the SECRETARY of STATE

**Texas Administrative Code**

TITLE 22 HEALTH SERVICES  
PART 11 CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS  
CHAPTER 103 GRANTS FOR CANCER PREVENTION AND RESEARCH

Rules

§703.1 Purpose and Application  
§703.2 Definitions  
§703.3 Grant Applications  
§703.4 Grant Management System  
§703.5 Scientific Research and Prevention Program Committees  
§703.6 Grant Review Process  
§703.7 Program Integration Committee Funding Recommendations  
§703.8 Oversight Committee Consideration of the Program Integration Committee's Funding Recommendation  
§703.9 Limitation on Review of Grant Process  
§703.10 Awarding Grants by Contract  
§703.11 Requirement to Demonstrate Available Funds for Cancer Research Grants  
§703.12 Limitation on Use of Funds  
§703.13 Audits and Investigations  
§703.14 Termination, Extension, Close Out of Grant Contracts, and De-Obligation of Grant Award Funds  
§703.15 Financial Policies Applicable to Grant Awards  
§703.16 Intellectual Property Agreement  
§703.17 Reverse Skating Standards  
§703.18 Licensing and Assignment of Intellectual Property Rights  
§703.19 Opt-Out and Default  
§703.20 Certification of Tobacco-Free Policy for Grant Recipients  
§703.21 Monitoring Grant Award Performance and Expenditures



# RECENT ADMINISTRATIVE RULE CHANGES

1. SAD Due Date Change
2. Request for Applications\*
3. Federal Indirect Cost Rate Change\*

\* Proposed at 5/16/18 OC meeting & currently undergoing public comment



## 1. SAD DUE DATE CHANGE

- The amendments change the due date of the Single Audit Determination (SAD) form, which must be submitted annually by grantees.

**Previous Requirement:** SAD form is due 60 days after the anniversary of the contract effective date.

**New Due Date:** SAD form is due 60 days after the grantee's fiscal year end.

§§ 703.13 and 703.21

- Both §§ 703.13 and 703.21 are amended so that the due date is consistent throughout Chapter 703.



## 2. REQUEST FOR APPLICATIONS

- An amendment to § 701.3(58) clarifies what is included in a Request for Applications.

A Request for Applications (RFA) includes any associated written instructions provided by CPRIT.

An example is "Instructions for Applicants," which are available on the CPRIT website along with RFAs.



### 3. FEDERAL INDIRECT COST RATE CHANGE

- Grant Recipients that are public or private institutions of higher education<sup>1</sup> may use their federal indirect cost rate (FICR) as a credit towards their matching funds requirement.
- If their FICR changes, there is a window of time that a grantee may use the new FICR:

Current Timeframe: FICR change less than six months following anniversary of effective date of grant contract.

Proposed change: Six months or less following anniversary of effective date of grant contract.

§ 703.11(b)(4)

- <sup>1</sup> As defined by Texas Education Code § 61.003



### ADMINISTRATIVE RULE CHANGES

Q & A



# GRANTEE RESOURCES

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[http://www.cprit.texas.gov/funded-grants/  
grantee-resources/](http://www.cprit.texas.gov/funded-grants/grantee-resources/)



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# WELCOME & INTRODUCTIONS

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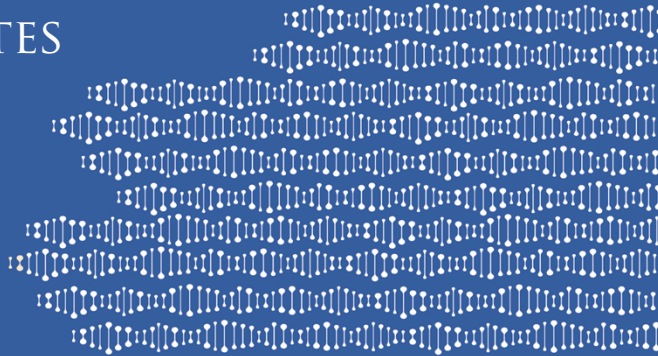


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# THE CPRIT GRANT POST-AWARD PROCESS: 2018 UPDATES



CY2018