A Note Concerning Sponsored Program
Awards and Expenditures

The Office of Vice Provost for Research monitors and reports a number of important benchmarks that reflect the rich diversity of UMass Boston research and creative activities and capabilities. These benchmarks, when compared to a group of peer institutions, allow the office to gauge university performance in achieving desired goals related to the research enterprise\(^1\). Two of these benchmarks are based upon metrics that are sometimes confused; namely, total amount of sponsored program awards and total amount of sponsored program expenditures. This note is written to clarify the UMass Boston procedures concerning the reporting of sponsored programs award and expenditure data in various benchmarking reports.

When a sponsor determines that it will fund a grant or contract proposal, it will send a Notice of Grant Award (NOGA) to the Office of Research and Sponsored Programs (ORSP), which acts as the university’s fiscal agent. The NOGA contains the terms and conditions to be imposed by the sponsor if the university decides to accept the award. This document is critical as it provides the only legal authority the university has to recover from the sponsor those funds expended during the project at the direction of the principal investigator (PI). If a sponsor offers an award document containing terms and conditions that are not immediately acceptable due to non-conformance with university policy, then ORSP will undertake negotiations to attempt to reach agreement on modified terms and conditions. Once the terms and conditions of the award are acceptable to both the sponsor and the university, ORSP will accept the award on behalf of the university and establish a project/grant account in the university’s PeopleSoft accounting system to make the awarded funds available to the PI for expenditure.

Award data in the university’s sponsored programs reports are presented on an accrual basis, in which the award transaction is recorded when the award document is accepted by the university, regardless of when the money for the project is actually received from the sponsor. For multi-year sponsored program awards, we only report the award amount for the current fiscal year\(^2\). For example, assume that the university is awarded $10 million for a research project from NIH for the period July 1, 2008 through June 30, 2013. Assume further—something that is highly unlikely in reality—that in each of the five fiscal years the university

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\(^1\) The goals, the benchmarks, and the peer group institutions were proposed by the Research and Graduate Studies Committee in its final report *Vision and Goals for Enhancing the Research Enterprise at the University of Massachusetts Boston* that was published in May 2007 and accepted by the Chancellor’s Strategic Planning Task Force.

\(^2\) The UMass Boston fiscal year runs from July 1 to June 30 of the next calendar year.
will receive a $2 million installment. This $10 million award would be recorded as $2 million in each of the sponsored programs award reports for the fiscal years FY09 to FY13.

Expenditure data, on the other hand, are presented in the university’s sponsored programs reports on a cash basis. That is, an expenditure is recorded only when the expense is actually paid by the university. All sponsored program expenditures made by the PI must be in full compliance with the terms and conditions of the award and with university policies and procedures. Each expenditure include two components: the direct cost and the associated facilities and administrative (F&A) cost determined by multiplying the direct cost by the approved F&A cost recovery rate.  

The FY07 sponsored programs award report for UMass Boston listed $41,773,564 of awards, consisting of $36,952,724 of (potential) direct costs and $4,820,840 of (potential) F&A costs. These amounts represent all awards received by the university between July 1, 2006 and June 30, 2007. The FY07 expenditure report listed $34,579,917 of total expenditures, consisting of $30,371,296 of (actual) direct cost expenditures and $4,208,621 of (actual) F&A costs that were recovered. These amounts represent all expenditures on sponsored programs between July 1, 2006 and June 30, 2007. The difference between these two sets of numbers illustrates an important observation; namely, that for a given fiscal year the total of sponsored programs award data will be greater than the total sponsored programs expenditure data reported.

Consider, for example, a sponsored program award with $100,000 of direct costs and 50% F&A that is accepted by the university on July 1, 2008. This award will be reported in the FY09 sponsored programs award report as a $150,000 award with $100,000 of direct costs and $50,000 of F&A costs. If all $100,000 of the sponsor funds is actually expended before the end of the fiscal year on June 30, 2009, then $150,000 of expenditures will be reported in the FY09 expenditure report, consisting of $100,000 of direct expenses and $50,000 of recovered F&A costs. If, however, the award is accepted on January 1, 2009, then $150,000 will be reported in the FY09 award report, but only those actual expenditures through June 30, 2009 will be reported in the FY09 expenditure report. Assuming funds are spent at a rate of 1/12th per month—not typical, but useful for this example—then only $75,000 will be reported in the FY09 expenditure report, consisting of $50,000 of direct expenses and $25,000 of recovered F&A costs. In the most extreme case, a $100,000 award with 50% F&A is accepted on June 30, 2008 and reported in the FY08 sponsored programs award report, but $0 are reported in the FY08 expenditure report because no expenditures are made against the award until after the start of the next fiscal year.

Depending upon the audience for a particular report, the award and expenditure data may be broken down in various ways. For example, the award data may be broken down by the type of sponsor making the award (e.g., federal, state, business and industry, private foundation) or by the type of program that is being sponsored (e.g., research, training, service). Subsets of expenditure data are also of particular interest to some audiences and are reported in special formats by the university. Each year the National Science Foundation requests that we report

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3 This assumes that all the direct costs are subject to F&A cost recovery. For a complete discussion of the application of the university’s approved F&A rate to the direct costs of a sponsored program please see A Note Concerning the Recovery of Facilities and Administrative Costs of Sponsored Programs.
expenditures for research and development projects in 28 specific science and engineering fields.

The Office of the Vice Provost for Research is the only official source of information regarding sponsored programs at UMass Boston. A quarterly report of proposal submissions and sponsored program awards is made available to executive staff. An annual report describing all sponsored project activity, both awards and expenditures, is published following the end of the fiscal year. In addition, ad hoc reports for special purposes can be prepared upon request.

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