The recent COVID-19 health crisis has resulted in various, emergency stimulus funds being available or distributed to the University, including the University Health System, and our USA Health Care Authority operations. The following guidelines are brief, high-level compliance reminders as we receive and manage these mostly federal funds.

The reminders below are guidelines and not all inclusive. For specific guidance it is always advised that you refer to the funding announcement or agreement. You're not in this alone. The Office of Grants and Contracts Accounting (OGCA) will be your partner in receiving, managing, and reporting on these funds. Our website has policies and helpful guiding procedures to assist you in managing sponsored funds. **Adhere to these policies and procedures for stimulus funds.**

Refer to our website at: [https://www.southalabama.edu/departments/financialaffairs/grantsandcontracts/policies.html](https://www.southalabama.edu/departments/financialaffairs/grantsandcontracts/policies.html) for policy and procedure information.

Please reach out to our staff at: ogca@southalabama.edu if you have any concerns whatsoever.

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**REMEMBER!**

**Allowable Activities and Allowable Costs**

Expend funds only on activities allowed to be funded by the program. Refer to the funding announcement, program legislation, or funding agreement to discern what activities are *allowable*, as well as what activities are *unallowable*. For example, you would not take funds awarded to the institution for purposes of funding personal protective equipment (PPE) and instead purchase items not intended to function as PPE.

In addition to an expenditure being allowable per the funded program, the expenditures must be allowable according to general federal guidelines. These guidelines are intended to ensure that only items directly related to accomplishing the program’s objective are charged to the project. For example, it is reasonable to utilize funds received from a program announcement to purchase PPE to purchases masks and gloves. It may not be allowable to utilize funds received to purchase a cabinet to store these items.

It is also important to keep in mind that only those expenses directly related to the funded program announcement should be purchased. For example, you receive funds to purchase a high volume of PPE. The large or repeated purchases will generate an extra workload; therefore, you want to allocate an employee’s time, or hire a new position with the funds received to purchase PPE. This action may, or may not be allowed under the terms of the award. For specific guidance, please contact OGCA for help determining the allowability of a decision of this nature.
Cash Management

In some cases, stimulus funding may result in an immediate cash deposit in the institution’s bank account. In other cases, the institution will be required to invoice or otherwise request the cash after expenditures have been incurred or some other events have taken place. Additionally, cash received from federal entities is generally subject to additional rules and guidance. Cash related to stimulus awards will be segregated by utilizing a sponsored fund managed by OGCA. OGCA will be responsible for invoicing or requesting cash reimbursement when required.

A few things to keep in mind:
1. Please do not make any entries to cash. All entries to cash will be made by either the University’s Business Office staff or OGCA staff.
2. To properly align expenditures with funds either received or anticipated, the expenditure is either recorded in the sponsored fund or transferred to the sponsor fund via a JV/cost transfer.
3. Timeliness and thorough explanation of cost transfers is key. Always include supporting documentation and back-up to any expenditures transferred to a sponsored fund. Seek the help and advice of your business office contacts and/or OGCA before making these entries.

Eligibility

There are often specific requirements for eligibility surrounding federal programs and stimulus funding is no exception. These requirements are found in the statutes, regulations, and the terms and conditions of the federal award pertaining to the program. Determining eligibility is a compliance requirement that specifies the criteria for the individuals, groups of individuals (including area of service delivery), or subrecipients that can participate in the program and the amounts of funding for which they may qualify.

Equipment, Real Property Management, Procurement, Suspension and Debarment

Equipment means tangible personal property, including information technology systems, having a useful life of more than one year and a per-unit acquisition cost of $5,000 or more. Title to equipment purchased under grants and cooperative agreements, and potentially stimulus funds, vests with the institution subject to certain obligations and conditions. Consult with OGCA if you have questions concerning the purchase of equipment using stimulus funds.

To purchase equipment, and/or make general purchases using stimulus funds it is important that all institutional policies and procedures be followed. Refer to the institution’s purchasing manual which can be found at: https://www.southalabama.edu/departments/financialaffairs/purchasingdepartment/purchmanual.html for guidance and answers to common purchasing questions.

Additionally, the institution has procedures in place to ensure we do not engage in business transactions with parties that are suspended or debarred. For this reason, it is vitally important you continue to follow all institutional policies and procedures where procurement and property management is concerned.

All University Hospital equipment purchases should adhere to the purchasing guidelines in place for the Hospital.
### Matching, Level of Effort, and Earmarking – Defined

- Matching or cost sharing includes requirements to provide contributions of a specified amount or percentage to match Federal funds. To determine if the stimulus award in question requires matching or cost share refer to the program announcement, funding agreement, or contact an OGCA representative.
- Level of effort includes requirements for a specified level of service to be provided, a specified level of expenditures from non-federal or federal sources for specified activities to be maintained, and for federal funds to supplement, NOT supplant non-federal funding of services. To determine if the stimulus award in question requires matching or cost share refer to the program announcement, funding agreement, or contact an OGCA representative.
- Earmarking includes requirements that specify the minimum and/or maximum amount or percentage of the program’s funding that must/may be used for specified activities, including funds provided to subrecipients. Earmarking may also be specified in relation to the types of participants covered.

### Period of Performance

Expenditures are only allowable to a program during the period of performance referred to in the program announcement, funding agreement, regulations and/or statutes. It is important to strictly adhere to this guidance when determining whether an allowable cost can be either charged or reimbursed by a stimulus award. For help interpreting the agency guidance concerning period of performance please contact OGCA.

As an institution we have suffered many financial losses during the COVID-19 crisis. As federal stimulus dollars are allocated we must first consider the allowability of the expense and whether the expense fell within the period of performance. However, even after applying this guidance some losses may not be covered by stimulus dollars. Therefore, simply making an allowable purchase within the prescribed period of performance is no guarantee of reimbursement or covered by stimulus funds.

### Reporting

All reporting will be coordinated by the OGCA. It is important to keep detailed records so that you can contribute to any non-fiscal reporting requirements promulgated by the funding agreement, program announcement, regulations, or statutes. However, please coordinate all reports through the OGCA. Under no circumstances should you submit a fiscal report to a sponsor when funds are managed and monitored by OGCA.

### Special Tests and Provisions

With any federal grant, contract, or award of funds specific requirements are embedded. These specific requirements are generally specific to the Federal program and are found in the statutes, regulations, and the provisions of contract or grant agreements.

Be mindful of these specific requirements. **Always** adhere to the controls put in place by the University for management of funds. Also, keep notes on your rationale for decisions made that could have an impact on the mitigation of associated risks. Again, if ever in doubt of a decision to be made on the expenditure of funds please contact OGCA@southalabama.edu.