SPONSORED PROGRAMS FINANCIAL ANALYST
(SPFA)

STANDARD OPERATING PROCEDURES
(SOP)

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Glossary
Chapter I: INTRODUCTION

A. Defining Sponsored Programs

References:  (a) NAVPGSCOLINST 3900.1C
(b) Sponsored Program Policy/Guidance Memoranda

Sponsored programs are those programs funded outside of the Naval Postgraduates School’s (NPS) direct mission (operation and maintenance) budget. Sponsored programs are also referred to as Reimbursable Programs and are funded by entities external to NPS. Although not funded by NPS’s operation and maintenance budget, sponsored programs do bear a direct relationship to NPS’s core education programs.

The four sponsored programs are Research, Education, Professional Development and Services.

1. Sponsored Research: This is the most common sponsored program. Research is conducted in every School, Academic Department/Group and Institute at NPS by NPS faculty, students, and staff.

2. Sponsored Education: This is specific instructional activity, established by a reimbursable arrangement, which is provided for academic credit. It can include degree or certificate programs, or a single course offering. It also includes the activities to prepare for offerings such as a course or curriculum development, and chair professorships that are instructional in nature.

3. Sponsored Professional Development: Specific instructional or training activity that is established by reimbursable arrangement and provided as a no-credit offering, to include any preparatory activities such as course development.

4. Other Sponsored Activity: NPS currently provides some other sponsored activities. This is a rather limited program, as sponsored work must directly support the NPS mission. A sponsored “activity” becomes an Other Sponsored Activity versus Sponsored Research or Education when it bears little relationship to NPS’s core education program.

The administrative life cycle of sponsored programs, in general, has three phases: Pre-Award, Project Execution, and Post-Award.

1. The Pre-Award phase includes the proposal development by the PI/PD, approval by the appropriate parties, and forwarding the proposal to the external sponsor.

The key personnel involved in the pre-award phase and their responsibilities are:

- Principal Investigator/Principal Director (PI/PD): Proposal development and preparation.
• **Department Chair/School Dean/Institute Director**: Review and approval of proposal.

• **Research and Sponsored Programs Office (RSPO)**: Review of proposal, completion of transmittal documentation and forwarding of Dean or Research approved proposal to external sponsor.

• **Dean of Research/Vice Provost for Academic Affairs**: NPS Institutional review and approval of proposal for submission to external sponsor.

If the external sponsor approves a proposal and funding is sent to NPS to complete the proposed work, the award notification and account set-up are normally considered part of the Pre-Award stage. Award notification can be a letter to the PI/PD or RSPO, or, more commonly, it is the forwarding of a funding document to the Financial Management Directorate by the sponsor. The RSPO, in conjunction with the Financial Management Directorate – Funds Receipt, accomplishes account set-up. At this stage, the RSPO may interact with the PI/PD if additional information is required in order to complete the account set-up.

2. Project Execution is the phase where the PI/PD actually begins working on the project. Execution may begin once a project is funded. The Sponsored Programs Financial Analyst (SPFA) plays an important role during project execution by assisting the PI/PD with the accounting and accountability requirements of sponsored programs. The key personnel involved in the project execution phase and their responsibilities are:

• **PI/PD**: Completes deliverable; initiates expenditures in order to complete the deliverable; and attests to the appropriateness of those expenditures.

• **Co-Investigator/Director (Co-I/D) and Other Senior Associates**: Assists PI/PD with completing the deliverable.

• **SPFA**: Provides accurate and timely financial information via financial reports; advises on administrative or business transaction requirements; reviews expenditures and assists in the projection of costs for future requirements; maintains accurate project files.

• **Administrative Support Personnel**: Record time and attendance in the NPS timekeeping systems for the level(s) of effort of individuals working on a sponsored program.

• **Purchasing Agent/Credit Card Holder**: Completes purchases for equipment/supplies to support the sponsored project.

• **Travel Arranger**: Creates travel authorizations and vouchers for travel in support of the sponsored project.

• **RSPO**: Processes amendments to increase/decrease funding; processes amendments to extend work completion and/or expiration date of funding documents; processes assistance agreement requirements to support the sponsored program; assists with extensions and/or proposal revisions.

• **Dean of Research/Vice Provost for Academic Affairs**: Reviews and approves modifications to the proposal’s statement of work.
• **Financial Management Directorate**: Records and reports sponsored project expenditures.

3. The Post-Award phase consists of two elements—one is financial, the other programmatic. The post award financial element includes the billing cycle, payments (or reimbursement to NPS), and account close-out. Most sponsored programs are approved by the sponsor providing a funding document to NPS allowing cost-reimbursement to occur in order to accomplish the proposed work. As expenses are incurred and recorded in the official accounting system, the Standard Accounting and Reporting System (STARS), the sponsor is billed so that NPS can be reimbursed for the costs of completing the sponsored work. At the end of the account’s life, the account is balanced to ensure that all expenses and payments are correct, and that any remaining allocated funds are returned to the sponsor. (The billing for NPS Sponsored Programs is the responsibility of the Defense Finance and Accounting System [DFAS] office in Cleveland. Billing is not accomplished by NPS.)

The administrative programmatic element of the Post-Award process is accomplished by completing reports that may be required by the sponsoring agency. Typically, post-award reports relate to intellectual property issues and/or real property acquired during the life of the project. These reports are completed by the RSPO, in conjunction with the PI/PD. The key personnel involved in the post-award phase and their responsibilities are:

• **DFAS -Cleveland**: Invoicing project sponsors for cost reimbursement as expenses are incurred.
• **Financial Management Directorate**: Balancing expenditures and payments recorded in the official accounting system, STARS; returning unexpended funds to the sponsor.
• **RSPO**: Completion of required non-financial reports in accordance with sponsor requirements.
• **SPFA**: Final reconciliation of the sponsored program account.
• **PI/PD**: Certifying to the appropriateness of all charges to the sponsored program account.

There are three basic requirements for administering sponsored programs: accounting and accountability.

- Financial management is monitoring expenditures to assure that project expenses do not exceed approved budget.
- Accounting is the recording and maintenance of costs associated with expenditures supporting a sponsored program.
- Accountability is ensuring that all costs incurred for a specific program are in direct support of the deliverable being provided to the sponsor.

In order to accomplish these requirements, the many organizational elements providing support for a sponsored program must work together.
The Financial Management Directorate is responsible for the accounting requirement. Although the SPFA is heavily involved in ensuring that the accounting information is correct, it is the Financial Management Directorate that is responsible for the official accounting of each sponsored project.

The Dean of Research and the Vice Provost for Academic Affairs are responsible for setting standards for accountability for their respective programs. This is accomplished through NPS Instructions and Memoranda outlining policy and processes for the management and administration of sponsored programs at NPS.

The RSPO is the administrative arm of the Dean of Research and Vice Provost for Academic Affairs in matters pertaining to sponsored programs.
Chapter I. INTRODUCTION

B. Roles and Responsibilities for Administration of NPS Sponsored Programs

Reference:  (a) Position Descriptions for SPFA  
(b) NAVPSCOLINST 3900.1C  
(c) Sponsored Program Policy/Guidance Memoranda

Summary: The overall management and administration of sponsored programs at NPS is a collaborative effort. The PI/PD has overall responsibility for the technical and fiscal management of a sponsored project. The accountability for a sponsored project is balanced between the PI/PD, Department Chairs, School Deans or Institute Directors, administrative support personnel (primarily the SPFA), the Dean of Research, the Vice Provost for Academic Affairs, RSPO, and the Financial Management Directorate. This balanced effort ensures the accountability and integrity of NPS sponsored programs.

Roles and Responsibilities:

PI/PD:
- The PI/PD is responsible for generating the proposal, proposal budget, Proposal Routing Form (PRF), and completing the deliverable outlined in the proposal.
- The PI/PD has the overall responsibility for the technical and fiscal management of a sponsored project. They are primarily responsible for ensuring that funds are spent in accordance with appropriation law and applicable policy, and also according to the budget agreed to by the sponsor(s).
- The PI/PD cannot commit to perform work for a sponsor until the proposal has been approved and all required signatures have been obtained.
- The PI/PD is responsible for ensuring that the quality of the project deliverable is acceptable.
- The PI/PD must attest to expenditures in the KFS Naval Postgraduate School Sponsored Attestation every three months (90 days) from the effective date of the account, with a final attestation upon expiration of the account.

Department Chair (Note: In GSBPP, the School Dean assumes Chair responsibilities):
- The Chair must ensure that the NPS resources specified in the PRF are available.
- The Chair is responsible for ensuring that the proposed sponsored effort is programmatically appropriate.
- The Chair must approve and sign the proposal.
- The Chair holds the PI/PD accountable for both the work proposed and proper stewardship of the reimbursable funding.
- The Chair is responsible for non-allowable costs on a sponsored project if such costs cannot be appropriately charged to another sponsored project under the cognizance of the PI/PD.
School Dean:
- The Dean approves and signs the proposal and ensures that it is consistent with their school’s strategic directions.
- The Dean holds the PI/PD and Department Chair accountable for their individual responsibilities in relation to sponsored programs.
- The Dean develops and disseminates school-specific policies and procedures for the review and approval process that are consistent with NPS policy and procedures.

Dean of Research:
- The Dean of Research is responsible for NPS oversight of the sponsored research program.
- The Dean of Research is responsible for institutional approval and signature for sponsored research or sponsored service proposals.
- The Dean of Research develops and disseminates NPS policy for the sponsored research program.
- The Dean of Research coordinates with the Vice Provost for Academic Affairs or Provost on those programs deemed reimbursable services.

Vice Provost for Academic Affairs:
- The Vice Provost for Academic Affairs is responsible for NPS oversight of the sponsored (reimbursable) education program.
- The Vice Provost for Academic Affairs is responsible for institutional approval and signature for sponsored (reimbursable) education proposals.
- The Vice Provost for Academic Affairs develops and disseminates NPS policy for sponsored (reimbursable) education and professional education.

RSPO:
- The RSPO serves as the centralized administrative office for processing proposals for the Dean of Research and Vice Provost for Academic Affairs.
- The RSPO processes outgoing proposals (forwards to sponsor/maintains files of pending proposals).
- The RSPO identifies funding received and initiates set-up of sponsored program accounts.
- The RSPO issues Expenditure Control Pages, for reimbursable accounts, on behalf of the Dean of Research or the Vice Provost for Academic Affairs, as appropriate.
- The RSPO maintains sponsored project files.
- The RSPO ensures completion of institutional requirements (i.e., certifications and institution reports).
- The RSPO provides reports to NPS management on sponsored programs.
- The RSPO ensures that PIs/PDs complete their required accountability modules prior to the release of sponsored program accounts each fiscal year.
SPFA:

- The SPFA may assist the PI/PD in budget development during the proposal stage.
- The SPFA maintains Memorandum Account System (MAS) for use in reporting, account reconciliation and miscellaneous administrative monitoring (tracking initiation of transactions/ final cost/receipt of goods/etc.)
- The SPFA ensures that labor is recorded accurately in MAS.
- The SPFA ensures appropriate posting of expenditures in MAS for reporting and reconciliation purposes.
- The SPFA ensures that the project account is reconciled on a regular basis; notifies the Financial Management Directorate of necessary corrections, provides supporting documentation, and initiates follow-up action to ensure that the required corrections have been made in the official accounting system.
- The SPFA, upon request can provide the PI/PD with financial status reports, which include the KFS reports available to the PI/PD online and other financial systems available to the SPFA.
- The SPFA provides the PI/PD with support/assistance during the execution of the project (i.e., projecting expenditures, monitoring expiration dates on program funds, alerting the PI/PD of concerns/necessary actions).
- The SPFA maintains the sponsored project file of source transaction documentation.
- The SPFA may provide financial projections on work in progress in order to assist the PI/PD in complying with the approved budget, upon request.
- The SPFA reviews expenditures against project funds to ensure that funding is available and that it is appropriate for the project and the source of the funds.
- The SPFA initiates follow-up as required (receipt of goods/confirmation of final costs), notifies the PI/PD of the status of expenditures if delays are encountered, and advises the PI/PD if there are concerns with the requested expenditure.
- The SPFA is responsible for ensuring that the NPS attestation is signed by the PI/PD on a quarterly basis and at account expiration.
- The SPFA serves as the primary financial focal point at the school/ institute level for interfacing with other administrative offices during project execution.
- The SPFA remains current on relevant guidelines, policies, roles, and responsibilities critical to sponsored program administration.
- The SPFA refers unusual issues/requirements to the respective School Dean/Institute Dean, Director, RSPO, or the Comptroller, as appropriate.
- The SPFA will complete annual accountability training and will attend bi-weekly training sessions. Other training requirements will be completed as identified.
- The SPFA will complete required Financial Management Certification necessary for the position.
- Other training requirements will be completed as identified.

Financial Management Directorate:

- The Financial Management Directorate ensures timely completion of the institution’s fiduciary requirements.
- The Financial Management Directorate accepts funding documents on
behalf of NPS and establishes sponsored program accounts in STARS.

- The Financial Management Directorate records or oversees the recording of expenditures in the STARS.
- The Financial Management Directorate corrects errors in the official accounting system upon notification from the SPFA and with appropriate validation.
- The Financial Management Directorate ensures that the appropriate financial closeout of sponsored program accounts is accomplished.
- The Financial Management Directorate is responsible for the Kuali Financial System (KFS); ensuring its integrity and the timeliness of official system downloads.

**Sponsored Programs Financial Analyst Oversight Board:**

- Provides programmatic and financial guidance to SPFAs in the Schools and Institutes.
- Oversees the development of the processes in this Standard Operating Procedure (SOP) document and ensure the complete documentation, accessibility, and training of the SPFAs on the processes contained in this SOP.
- Provides regular communication to the campus community on issues related to sponsored program activity.
- Assists SPFA supervisors in the development of recommended training plans, performance objectives and metrics, and new hire selection strategies.

The roles and responsibilities outlined above directly relate to the accounting and accountability of sponsored programs. Other administrative personnel play an important role in supporting sponsored programs. These include, but are not limited to:

- **Administrative Support:** The administrative support (in the Department or, in the case of GSBPP, the School) is involved in several supporting roles. The timekeeper for the activity, being one of the support personnel, will record or will ensure that the recording of the labor for those involved in direct support of sponsored programs in the Navy’s official timekeeping system, the Standard Labor Data Collection and Distribution Application (SLDCADA). That support person may also assist the PI/PD in obtaining the signature of the Department Chair and School Dean on outgoing proposals.
- **Purchasing Agent/Credit Card Holder:** The purchasing agent/credit card holder will be assigned procurement requests via KFS routing from the approving official for purchases made on sponsored program funding. The purchasing agent/credit card holder will complete the procurement request.
- **Travel Arranger:** The travel arranger may be someone other than the PI/PD. In these instances, the travel arranger will complete travel requests for travel directly related to a sponsored activity.
Chapter I. INTRODUCTION

C. Relationships

Reference: (a) Position Description for SPFA

Support for sponsored programs is an integrated effort. The PI/PD has the primary responsibility of completing the work proposed, but this cannot be accomplished without the involvement of management, individuals who provide centralized support functions, and other departmental personnel.

The SPFA positions were established to provide direct financial and administrative support to the PI/PD. The position is located within the organization that serves as the home for sponsored projects or programs. The SPFA, in most Schools or Institutes, is a shared resource with other Departments within the School, or among the Institutes. The SPFA will be responsible for the support of certain organizational elements of sponsored programs, within the assigned School/Institute. The SPFA’s major duties are outlined in the position description. The SPFA SOP Manual provides general guidelines to assist the SPFA in performing these responsibilities.

The major relationships of the SPFA are:

- **SPFA/PI/PD:** The PI/PD will directly or indirectly involve the SPFA in all financial transactions in support of a sponsored project. The SPFA will ensure that the PI/PD is provided with the accurate and timely financial status of project account by ensuring that the account status represented in available financial systems are an accurate reflection of the costs incurred. The SPFA will assist the PI/PD in projecting expenditures. The SPFA will advise the PI/PD on appropriate business transaction processes when necessary.

- **SPFA/Department Personnel:** The SPFA will interact with the appropriate Department personnel as required. The most common interaction will be for time and attendance recording completed by the timekeeper (most commonly the Administrative Support Assistant (ASA)) and arrangements for travel on sponsored program funding.

- **SPFA/Purchasing Agent/ Credit Card Holder:** The SPFA will interact with the purchasing agent/credit card holder as required when equipment/supplies are requested by the PI/PD in support of their project.

- **SPFA/ RSPO:** The SPFA will interact with the RSPO staff during the account set-up phase, and for general programmatic guidance related to sponsored programs. The RSPO also oversees the administration of assistance agreements.

- **SPFA/Financial Management Directorate:** The SPFA will primarily interact with the Financial Management Directorate for account reconciliation between
MAS, KFS, and FASTDATA financial systems. Note: The NPS Comptroller provides interpretation of DoD financial policy. This interpretation is issued via instructions and/or policy memoranda.

- **SPFA/Oversight Board**: The Oversight Board provides programmatic and financial guidance to the SPFA in the Schools and Institutes, oversees the development of Standard Operating Procedures (SOPs) document and ensures the complete documentation, accessibility, and training of the SPFA’s on the processes contained in this SOP, provides regular communication to the campus community on issues related to sponsored program activity, and assists SPFA supervisors in the development of recommended training plans, performance objectives and metrics, and new hire selection strategies.
Chapter I. INTRODUCTION

D. Applicable Instructions/Guidelines

Summary: There are numerous instructions and guidelines that govern or affect the conduct of Sponsored Programs at NPS. A listing of these references, along with a brief description, is provided below.

Naval Postgraduate School Instructions (NAVPGSCOLINST):

- NAVPGSCOLINST 3900.1C: Administration and Management of Academic Programs at the Naval Postgraduate School (NPS)
- NAVPGSCOLINST 3900.2A: Establishment and Operation of Research Centers of Excellence at the Naval Postgraduate School (NPS)
- NAVPGSCOLINST 3900.3H: Sponsored Chair Professorships at the Naval Postgraduate School (NPS).
- NAVPGSCOLINST 3900.4A: Human Research Protection Program
- NAVPGSCOLINST 4491.3D: Unauthorized Commitments
- NAVPGSCOLINST 4650.4J: Policy for Official Travel Performed by Naval Postgraduate School (NPS) Personnel
- NAVPGSCOLINST 5760.2A: Administration of Memoranda of Understanding/Agreement, and Letters of Intent at the Naval Postgraduate School (NPS)
- NAVPGSCOLINST 7000.01: Financial Management and Accounting Policy & Guidance
- NAVPGSCOLINST 7000.2: Attestation of Sponsor Funded Reimbursable Work
- NAVPGSCOLINST 7130.1A: Procedures for Establishing and Allocating Indirect Costs to Reimbursable Research Projects

Sponsored Program Policy/Guidance Memoranda:

The Dean of Research and the Vice Provost for Academic Affairs have issued a numbered series of Sponsored Program Policy/Guidance Memoranda (SPPGM) addressing concerns related to Sponsored Programs. The SPPGM can be found on the RSPO website (http://www.nps.edu/research/rspe.html).

Guidelines/Standard Operating Procedures:

The RSPO Administration website includes information on proposals and sponsored program policy. The site includes the on-line version of the SPFA SOP and the MAS user’s guides are also available.

SOPs for travel are located on the intranet at Defense Travel System (DTS)/Travel. Procurement guidelines are located on the intranet at https://fnasp.ern.nps.edu/CLMgt/Templates/default.aspx. Labor guidance is located in the NPS Instruction, NAVPGSCOLINST 7410.3U: Policies and
Procedures for Reporting Time and Attendance Utilizing Standard labor Data Collection and Distribution Application (SLDCADA).
Chapter II. PROPOSALS

A. Proposal Requirements

References: (a) Proposal Guidelines  
(b) NAVPGSCOLINST 3900.1C  
(c) SPPGM-03-01: General Policy for Research at NPS in FY03

Summary: In order to propose work to an activity external to NPS, a proposal must be prepared that details the work to be accomplished and the deliverable to be provided. It will also include the cost for completing the work and providing the deliverable. An internal review process is required on all proposals to ensure that externally sponsored work is in alignment with NPS’s mission and goals.

While most proposals are completed in the standard NPS proposal format (see Proposal General Guidance found on the RSPO website), some sponsors (e.g. the National Science Foundation) have a prescribed format. Most PIs/PDs complete the proposal package without assistance from their administrative staff. In some instances, however, the PI/PD may need assistance from the SPFA or the RSPO the labor costs.

Policy:

- A proposal is required for all sponsored programs. The standard NPS proposal described above is normally used.
- All proposals must be reviewed and approved by the appropriate personnel at NPS.
- The RSPO processes the official submission of NPS proposals.

Process:

1. The PI/PD will complete a proposal for externally funded work. The proposal will contain at a minimum; the Proposal Routing Form (PRF), a Statement of Work (SOW), and the Proposal Budget (use a standard NPS budget-page spreadsheet; in the narrative, describe the duties of each person being funded by the project, and provide details on major purchases). Additional elements can include a curriculum vitae for all senior personnel, a biographical sketch of the PI/PD, a bibliography, or other supporting documentation. Certain sponsors have specific proposal requirements. In these cases, the requirements of the sponsors are met, but a Proposal Routing Form is also prepared to ensure institutional review and approval. The Proposal Routing Form is never forwarded to the external sponsor.
2. The PI/PD will ensure that the appropriate Department/School review has been accomplished prior to forwarding the proposal to the RSPO. If a proposal is received without the required signatures, the RSPO will return the proposal to the PI/PD to obtain the appropriate signatures.
3. The RSPO will obtain institutional approval (Dean of Research or Vice Provost
for Academic Affairs, as appropriate) for the proposal and prepare the letter of transmittal to the external-sponsoring agency, as indicated by the PI/PD.

4. The RSPO will provide the PI/PD with a signed copy of the proposal.

5. The RSPO will provide the SPFA with a copy of the proposal via SharePoint when the project is funded. The SPFA will become familiar with generalities of the work proposed by the PI/PD.
Chapter II. PROPOSALS

B. Review/Approval Process

Reference: (a) SPPGM-03-02: Proposal Approval Process for Research
(b) NAVPGSCOLINST 3900.1C

Summary: All proposals must be reviewed by the PI/PD’s Department Chair and/or School Dean. Some Departments may require review by the Associate Chair for Research within that Department, or the Associate Dean for Research in the case of GSBPP. All proposals are reviewed by the RSPO and approved by either the Dean of Research (Sponsored Research or Other Sponsored Activities) or the Vice Provost for Academic Affairs (Sponsored Education or Sponsored Professional Development). The review and approval process ensures that work proposed to external sponsors is aligned with NPS’s mission and goals.

The three components of the Review/Approval Process are:
- Recommending Approval
- Review
- Approval

Recommending approval is accomplished by the Department Chair of the PI/PD or, in the case of GSBPP, the School Dean. The Chair is certifying that the work is in alignment with the Department’s mission and goals and that the PI/PD has the time available to complete the work.

Recommending approval may be accomplished jointly by a Department Chair along with a Center or Institute Director. This occurs when the PI/PD has proposed work through one of NPS’ Institutes or Centers. The Chair and Director are both certifying that the proposed work is in alignment with the respective mission and goals of their organizations/activities.

Review is an NPS administrative requirement process accomplished by the RSPO. The RSPO ensures that the key components of the proposal have been completed, necessary reviews have been accomplished, and that the proposal budget is justified and/or explained. The RSPO also ensures that the proposal application requirements are met in cases where such requirements exist (e.g., special competitive programs).

Approval authority for the institution resides with the Dean of Research (research/services’ proposals) and the Vice Provost for Academic Affairs (education/professional development proposals). Approving the proposal certifies that the proposed work is aligned with NPS’s mission and goals. The final approval also ensures that proposed sponsored programs from across campus are integrated where applicable. It also precludes duplicative efforts being proposed by different organizational elements at NPS.
Policy:

- All proposed sponsored work will be reviewed and approved by the appropriate organizational elements at NPS. It is NPS as an organization that is proposing work to an external sponsor.

Process:

- The PI/PD will ensure that the appropriate Department/School review has been accomplished prior to forwarding the proposal to the RSPO. If a proposal is received by the RSPO without the required signatures, the RSPO will return the proposal to the PI/PD to obtain the appropriate signatures.
- The RSPO will review the proposal and ensure that it is complete prior to forwarding it to the Dean of Research or the Vice Provost for Academic Affairs for final signature.

Related Sections:
Chapter I.B. Roles and Responsibilities for Administration of NPS Sponsored Programs
Chapter II.A. Proposal Requirements
Chapter II.C. Proposal Routing Form
Chapter II. PROPOSALS

C. Proposal Routing Form

Reference: (a) SPPGM-12-03: Proposal Routing Form

Summary: The review/approval process for the proposal ensures that the work is in line with NPS’s mission and goals. The proposed work must also be routed in order to ensure that the organization has the required resources in-house to complement those resources being requested from the external sponsor. It is also essential that NPS comply with external requirements for the conduct of sponsored programs (e.g., use of human subjects). As a DoD entity, NPS, must also collect information on sponsored programs to ensure that sponsored work is relevant and aligned to the goals of the Department of Defense.

The PRF was created to assist in this review.

Policy:

- A PRF is required for all proposals.
- Institutional Review Board (IRB) approval is mandatory for all proposals involving the use of human subjects.
- The Dean of Research/Vice Provost for Academic Affairs (as appropriate) will review and coordinate the special reviews required as indicated on the PRF for the conduct of the sponsored programs activity proposed.

Process:

- The PI/PD will complete the PRF for each proposal that is prepared.
- The PI/PD will forward the PRF, along with the proposal, through their departmental review/approval chain.
- The PI/PD will request approval from the IRB in cases where the proposal involves the use of human subjects.
- The PI/PD will forward the signed PRF, along with the proposal, to the RSPO.
- If the PRF is incomplete, the RSPO will contact the PI/PD to ensure completion.
- The RSPO will provide the completed PRF to the Dean of Research/Vice Provost for Academic Affairs when forwarding the proposal for approval.
- The RSPO will file the PRF with the proposal and maintain the necessary information from it in the sponsored programs database.

Related Sections:
Chapter I.B. Roles and Responsibilities of Administration Sponsored Programs at NPS.
Chapter III. MONITORING AWARDS

A. Notification of Award

References: (a) NAVPGSCOLINST 3900.1C  
(b) SPPGM-05-04: Fiscal Responsibilities of Principal Investigators/Program Directors

Summary: NPS is notified when a proposal submitted to an external agency (a sponsor) is approved for funding. This notification can take three forms: (a) a letter may be sent from the sponsoring agency, or (b) the PI/PD may receive an e-mail from his/her sponsor, or (c) a funding document may be sent to NPS. The funding document initiates the “award” process at NPS and cannot begin without receipt of the document. The award process involves the establishment of an account, provision of the “authority to spend” to the PI/PD, and provision of the tools for monitoring the award to the SPFA.

Policy:

- An Expenditure Control Page will be issued for every funded sponsored project.
- Expenditures cannot occur prior to the issuance of an approved expenditure control page.
- The expenditure control page provides the approved budget for a sponsored project.

Process:

Fully Funded Proposals

Step 1:
- Upon receipt of funding from an external sponsor, the RSPO will request the establishment of a line of accounting/Job Order Number (JON) from the Financial Management Directorate.

Step 2:
- Upon receipt of the JON from the Financial Management Directorate, an expenditure control page will be prepared.

Step 3:
- The signed expenditure control page will be e-mail to the PI/PD and SPFA as an attachment to the Notification of Funding Memorandum once completion of training by the PI/PD and Co-I/D (if any) has been verified.

Step 4:
- A memorandum accounting workbook will be established in MAS once the JON has been set up in KFS. The authorizations load in MAS directly from the information added to the budget in KFS.
**Incrementally or Partially Funded Proposals**

- If a project is partially or incrementally funded, the PI/PD will be notified by e-mail by the RSPO that partial funding has arrived. The SPFA will be copied on the e-mail. The PI/PD will be asked how to distribute the budget for the partial receipt of funds. This is done rather than simply prorating the budget from the original in order to ensure that immediate requirements can be completed.
- When the PI/PD responds, the four steps for the fully funded proposals process outlined above will be completed.

**Reduced/Increased Level of Funding**

- If a reduced level of funding is received for a project (less funding than originally proposed by the PI/PD) or an increased level of funding (more than the PI/PD originally proposed), the PI/PD will be notified by the RSPO. The SPFA will be copied on the e-mail. The PI/PD will be asked for a revised SOW/budget to accommodate the level of funding received.
- When the PI/PD responds, the four steps for the fully funded proposals process outlined above will be completed.

*Note: The account set-up is accomplished by the RSPO in parallel to the notification to the PI/PD; this ensures that the expenditure control page can be issued promptly.*
Chapter III. MONITORING AWARDS

B. Maintaining Memorandum Accounting System (MAS)

References:  (a) NAVPGSCOLINST 3900.1C
(b) Memorandum Accounting System (MAS) User’s Guide

Summary: In order for the PI/PD to have access to accurate and timely financial information for his/her project account, a Memorandum Accounting System (MAS) has been developed. MAS is used by the SPFAs and other funds administrators. The SPFAs will record expenditures in MAS as they occur for the specific sponsored project. The SPFAs also use MAS to track the status of expenditures and to project expenditures.

It is important to note that MAS is not the “official” representation of the sponsored project account status. MAS is similar to a “checkbook” maintained by an individual. An individual’s “checkbook” tends to be more current than their “bank statement” as the banks have a “process time” associated with their banking procedures. Expenditures (checks) are recorded in a checkbook (MAS), as they occur, but the check will not appear in the “bank statement,” i.e. KFS or FASTDATA, as quickly.

MAS is also used for reconciliation. Just as an individual compares their checkbook to their bank statement to ensure that both records agree, the SPFA will compare MAS to KFS and FASTDATA to ensure that all records agree.

Policy:

- A MAS workbook will be established at the time of account set-up in KFS for projects approved within the fiscal year.
- A MAS workbook will be established for each “carryover” account at the beginning of the fiscal year based on expiration dates in KFS. Authorizations will immediately be made available in MAS via the Year End Closing process in KFS.
- All expenditures in support of an approved sponsored project will be recorded in the MAS workbooks, thus ensuring that accounts are not over expended.

Process:

Initial Recording of Expenditures

1. Labor Expenditures:
   - Labor charges for a sponsored project will be recorded from:
     o The Labor Plan/Worksheet
     o Projections provided by the PI/PD. Projections will be reconciled with the bi-weekly labor certification processed by the timekeeper
     o The number of days required for travel when a travel expenditure is routed through the SPFA
Bi-weekly labor certification processed by the timekeeper and provided to the SPFA for validation.

- Labor hours expended by personnel approved to work on a project will be recorded in MAS bi-weekly to ensure that funding is available and that account balances are correct. All labor will be entered by the individual. Entries will include the individual’s name, pay period, labor type, hours worked, and hourly wage. The labor expenditure will be automatically calculated.

2. Travel Expenditures:
   - Proposed travel will be forwarded to the SPFA prior to travel authorization being finalized.
   - Proposed travel will be entered into MAS to include the travel authorization number (when available), dates of travel, traveler, type of travel order if different from DTS, destination, estimated airfare, estimated lodging/per diem. NOTE: Labor for days on travel will also be recorded for verification on the appropriate bi-weekly labor certification.

3. Equipment/Supplies Expenditures:
   - Expenditure requests for equipment/supplies will be routed through the SPFA via KFS prior to it being contract managed to a purchasing agent or government credit card holder.
   - Proposed expenditure will be entered into MAS to include FASTDATA document number, expense element (EE) or subcode, document type, a brief description of item being procured, the suggested vendor, and the estimated cost.

4. Contractual Expenditures:
   - Several types of transactions are recorded in this category. They can include, but are not limited to contracts for services, Military Interdepartmental Purchase Request (MIPR), maintenance contracts, Intergovernmental Personnel Act (IPA) Agreement payments, contracted Post-Doc costs, Grants, and cost center recharge fees. The SPFA will be notified of these transactions by the PI/PD via KFS prior to the request being contract managed to the appropriate purchase recipient. Center recharge fees are recorded and are levied by the Financial Management Directorate Office for contracts and the External Grants Group for Grants.
   - Proposed expenditures will be entered into MAS to include the expense element (EE) or subcode, document type, FASTDATA document number or appropriate placeholder, a brief description of the contract request, the suggested vendor, the estimated cost, and the labor hours if applicable.

Related Sections:
- Chapter III.C. Reviewing Expenditures
- Chapter III.E. Reconciling Accounts
- Chapter III.G. Projecting Expenditures
- Chapter IV. Transaction Processing
Chapter III. MONITORING AWARDS

C. Reviewing Expenditures

References:  
(a) NAVPSCOLINST 3900.1C  
(b) Federal Management Regulation  
(c) SPPGM-05-04: Fiscal Responsibilities of Principal Investigators/ Program Directors  
(d) SPPGM-14-07: Assignation of Responsibilities by Principal Investigator(s)/Program Director(s)

Summary: The PI/PD is responsible for the appropriateness of all expenditures on his/her sponsored project account. The PI/PD or his/her designated representative/assignee, must approve all expenditures on a sponsored project account. The SPFA will review all expenditures on a sponsored project account to ensure funding is available for the proposed expenditure and the appropriate account is designated. The SPFA will also ensure that any back-up documentation, i.e., justification for split accounting, is filed with the expenditure. The SPFA is an asset available to the PI/PD to assist him/her in ensuring all expenditures on a sponsored project account are allowable and allocable. There are many processes/policies in place governing both sponsored programs and the expenditure of DoD funds. The SPFA will assist the PI/PD in ensuring sponsored program expenditures are in compliance with NPS and DoD policy.

The SPFA will become familiar with the proposal and budget supporting the project, being alert to expenditure requests appearing out of alignment with the proposal. In instances where the SPFA has a question, the SPFA will clarify the concern with the PI/PD. The SPFA can also direct concerns to RSPO.

Policy:

- All expenditures on a sponsored project must be approved by the PI/PD for that project.
- All expenditures on a sponsored project must be in direct support of the work outlined in the proposal.
- Funding must be available for the proposed expenditure.
- The PI/PD may authorize another individual to approve expenditures. In these cases, the PI/PD must have completed and signed a memo (PI/PD Assignation of Responsibilities Form) delegating this authority. The form must be on file in the RSPO and the project file maintained by the SPFA (See Chapter V.B.)
- All expenditures will be reviewed by the SPFA prior to the transaction being completed by the transaction processor, i.e. timekeeper for labor transactions, purchasing agent or credit card holder for procurement transactions, PI/PD supervisor for travel transactions, Contracting for most contractual transactions, Financial Management Directorate for fund transfers to other DoN/DoD and Federal agencies, RSPO will approve Intergovernmental Personnel Act (IPA) Agreements.
Process:

1. Expenditure requests will be received via different forms and/or venues.
   (a) Labor (faculty and support) will be routed through the SPFA for review by one or more of the following entities:
      (1) The timekeeper from a School, Department, or Institute will provide a copy of the bi-weekly labor pre-certification to the SPFA the week that payroll is due.
      (2) The PI/PD may provide a copy of a labor expenditure plan to the SPFA.
      (3) The dates of travel on reviewed travel authorizations will alert the SPFA to the requirement for labor charges for the days spent on travel.
   (b) Procurement transactions will be routed through the SPFA via KFS.
   (c) Travel authorizations will be routed through the SPFA for review via:
      (1) Defense Travel System (DTS).
      (2) Requests for Invitational Travel Authorizations or Fund Cites will be routed through the SPFA by an administrative support travel arranger or others supporting the proposal, e.g., the PI/PD.
   (d) Contractual procurements will be routed via KFS, through the SPFA for review, to initiate the contract.

2. When a labor expenditure request is received, the SPFA will:
   (a) Ensure that sufficient funds are available.
   (b) Ensure that the labor expenditure was initiated by the PI/PD or their designated representative. If the labor expenditure request was not initiated by the PI/PD or their designated representative, the SPFA will notify the PI/PD of the proposed labor expenditure and ensure approval by the PI/PD before certification of the specific affected pre-cert. If the labor charge was not approved by the PI/PD, the SPFA will notify the affected timekeeper to remove the charge from the SLDCADA pre-cert.
   (c) Ensure that faculty/staff being charged to the account have a direct relationship to the project funding the labor, i.e., PI or PD, post-doctoral associates or technical support staff. Post-docs and technical support staff may not be listed in the proposal, so the SPFA must be familiar with those individuals working on a particular project. It may be helpful to make an annotation in the project file of all those individuals associated with a project other than the PI/PD or faculty listed on the proposal budget. General administrative staff cannot be charged to a sponsored project except under limited circumstances.

   Note: The complete process for reviewing the bi-weekly labor pre-certs is detailed in Chapter IV.A. Transaction Processing-Labor.

3. When a procurement request (other than contractual) is received, the SPFA will:
   (a) Ensure that sufficient funds are available.
(b) Ensure that the procurement expenditure was approved by the PI/PD or their designated representative. If the procurement expenditure request was not approved by the PI/PD or their designated representative, then the SPFA will disapprove the request in KFS and ask for it to be resubmitted. 
(c) Review the request to ensure that the procurement is in direct support of the project.

4. When a travel authorization or other travel initiation request form is received, the SPFA will:
   (a) Ensure that sufficient funding is available to cover both the travel and labor costs (to include indirect costs) of the traveler. The SPFA should include the cost of labor associated with travel when communicating with the PI/PD on the requested travel. 
   (b) Review the request to ensure that the traveler is associated with the project. If the traveler is other than the PI/PD, the SPFA will contact the PI/PD or their designated representative to ensure approval before forwarding to the transaction processor or through DTS.
   (c) Review the request to ensure that the proposed travel is in direct support of the project.
   (d) If split accounting is indicated for the travel costs, i.e., labor to be paid from a different account than the one used for the travel, written justification must be included with a copy of the travel order in the project file.

5. When a contractual expenditure request is received the SPFA will:
   (a) Ensure that sufficient funds are available. 
   (b) Ensure that the expenditure was approved by the PI/PD or their designated representative. 
   (c) Review the request to ensure that it is in direct support of the project.

Related Sections:
Chapter I.C. Relationships
Chapter I.D. Applicable Policies
Chapter III.I. Project Files
Chapter IV. Transaction Processing
Chapter III. MONITORING AWARDS

D. Reconciling Accounts

References:  (a) SPPGM-03-05: Attestation Process for Principal Investigator(s)/Program Director(s)

Summary: The PI/PD is responsible for the expenditures on his/her sponsored project. Monthly review of project expenditures is an essential component of good project management. To assist the PI/PD in this process, the SPFA will review expenditures recorded in KFS for errors, as well as unusual or unanticipated charges. Apparent errors and questionable charges must be brought to the PI/PD’s attention and, if needed, corrected promptly.

Good business practice mandates that errors are corrected in a timely manner. This means adjustments must be reported to the Financial Management Directorate via an e-mail sent to Accounting Action or a JIRA request created via the Financial Management Directorate’s Wiki, as soon as they are discovered by the SPFA. Follow-up by the SPFA may be necessary if the requested adjustment does not appear in KFS within a reasonable amount of time or within a timeframe specified by the Financial Management Directorate. Any adjustments pending should be noted in the Notes and Attachments portion of the quarterly NPS Attestation.

NOTE: This chapter refers to adjustments or corrections to transactions reported in KFS. Adjustments are made when a reported transaction in KFS is different than the source documentation initiating the transaction.

Policy:

- The SPFA will reconcile all accounts no less than once per attestation cycle. Reconciliations are ongoing and dependent upon the complexity of the transactions and the account.
- The SPFA will initiate action to correct discrepancies at the time of reconciliation.
- The SPFA will ensure that all corrections have been completed.

Process:

General:

1. Most procurement/contractual expenditures reported in KFS are initiated at the Department/Institute/School level. Labor and travel from one of the business transaction systems (SLDCADA or DTS) are uploaded via a batch flat file from the Navy’s official systems. If a discrepancy exists, the corrective action may have to be initiated at the Department/Institute/School level.
2. Occasionally the batch processing utilized by the Financial Management Directorate to update KFS will create a duplicate entry. These discrepancies are
normally caught during the reconciliation process. If the SPFA notes a duplicate transaction in KFS during the reconciliation process, the SPFA will contact the KFS Ombudsman notifying them of the duplicate entry. The SPFA will follow-up by accessing KFS to ensure that the duplicate entry has been removed from the account.

3. KFS and MAS both contain a summary page. If the account balance on the summary page of KFS and the summary page in MAS are in agreement, it can normally be assumed that further reconciliation steps will not be required.

4. Following-up to ensure that corrective actions requested by the SPFA have been completed is of the utmost importance. The PI/PD must have access to an accurate balance on a sponsored project account in order to effectively manage his/her project.

**Labor:**

1. The SPFA will verify labor expenditures from accounts on a bi-weekly basis as they are requested via SLDCADA pre-cert from the timekeepers before SLDCADA certification.

2. Labor expenditure information is uploaded into KFS from a flat file derived from the certified submitted timesheets from the Departments’/Institutes’ timekeeper and certifying official. While the information should be identical to the approved labor from the pre-cert, it is important to verify during reconciliation.

3. Recorded expenditures in KFS for a pay period will be compared to those recorded in MAS for the same pay period.

4. Discrepancies will be noted.
   (a) If the discrepancy is due to a difference in hourly wage for any individual paid from the sponsored account, the SPFA will verify the accurate hourly wage for the individual by contacting Academic Planning or the Timekeeping Branch of the Financial Management Directorate. Once an accurate hourly wage has been identified for the individual, corrective action can be taken. The SPFA will annotate the discrepancy in the “Comments” section of MAS and follow-up to ensure that corrective action has been taken. (Note: The Financial Management Directorate Timekeeping Branch cannot change the hourly wage of any individual until the Personnel Action is received from the Human Resources Service Center.)

(b) If the discrepancy is due to a difference in the number of hours reported, the SPFA will contact the Department/Institute/School timekeeper to ensure that the labor entry into SLDCADA was correct and inquire as to what created the change between the SLDCADA pre-cert and the final certification. If the entry was incorrect, the SPFA will request that a supplemental be initiated by the Department/School/Institute timekeeper to correct the hours. (Note: The PI/PD may have changed the number of hours to be charged to a sponsored account and overlooked notifying the SPFA of this action. If this is suspected, the SPFA should contact the PI/PD to verify the number of hours for the pay period.)

(c) If an individual is charged to the account other than those known to the SPFA,
the SPFA will contact the Department/Institute/School timekeeper to ensure the entry was correct. If the entry was correct according to the information available to the timekeeper, the SPFA will contact the PI/PD to ensure that the individual in question was authorized labor in support of the project. If the PI/PD indicates that the individual in question was not authorized labor from the PI/PD’s account, the SPFA will request that a supplemental be initiated by the Department/Institute/School timekeeper to correct the action. The SPFA will follow-up to ensure that the labor entry has been corrected. If the individual in question was authorized labor from the sponsored project account, the SPFA will update MAS to reflect this expenditure.

(d) If an individual is not charged to the account that the SPFA, through coordination with the PI/PD, had projected for the pay period, then the SPFA will contact the Department/Institute/School timekeeper and inquire as to why the account was not used by the individual. A supplemental may be initiated to correct the oversight. The SPFA will follow-up to ensure that the labor entry has been corrected and is reflected in KFS.

**Indirect:**

1. The SPFA will review the indirect costs recovered, if applicable, from a sponsored account when reconciling the account.
2. The indirect cost recovery is automatically calculated in KFS and MAS based on user input.
3. The SPFA will compare the KFS entry to the total indirect entry in MAS.
4. Identify any differences in transactions impacting the indirect calculation in MAS.
5. If there is a discrepancy, the SPFA will contact the KFS Ombudsman to assist in identifying the discrepancy.

**Travel:**

1. Travel expenditure information is updated in KFS daily based on expenditure data in STARS.
2. Travel expenditure information in KFS will be compared with MAS.
3. If a discrepancy exists, corrective action may need to be initiated.
4. If needed, the SPFA will follow-up to ensure the corrective action has been taken and is reflected in KFS.

**Equipment/Supplies/Other Direct Costs:**

1. Equipment/supplies/other direct costs expenditure information can be obtained from KFS and FASTDATA.
2. The KFS and FASTDATA expenditure information will be compared with MAS.
3. If a discrepancy exists, corrective action may be initiated.
4. If needed, the SPFA will follow-up to ensure that the corrective action has been taken and is reflected in KFS.
Contracts:

1. Contract expenditure information can be obtained from KFS and FASTDATA.
2. The KFS and FASTDATA expenditure information will be compared with MAS.
3. If a discrepancy exists, corrective action may be initiated.
4. If needed, the SPFA will follow-up to ensure that the corrective action has been taken and is reflected in KFS.

Related Sections:
Chapter III.F. Attestation Process
Chapter III.H. Cost Transfers
FINANCIAL MANAGEMENT DIRECTORATE GUIDELINES FOR CORRECTING DISCREPANCIES/ERRORS

Summary:

- Financial Management Directorate Accounting Department: The Accounting Department is responsible for the accurate and timely reporting of all accounting transactions that occur in the command. Their efforts include:
  - Account reconciliation between systems.
  - Resolution and clearing of all suspense transactions.
  - All activities involved in clearing accounts that are negative.
  - The processing and redistribution of indirect.
  - Final resolution and close out of expired accounts or accounts for which no further activity is required.
  - Responding to any and all inquiries regarding financial transactions.
  - Handling of special funds, such as Official Representation Funds (ORF), or Gift Funds.
  - General financial support of all direct and reimbursable accounts.

Policy:

- The Financial Management Directorate Accounting Department cannot make adjustments or corrections to the official accounting records without appropriate documentation.
- A JIRA request can be sent from the SPFA to the Financial Management Directorate Accounting Department via the Accounting Division Wiki or Accounting Action. Acknowledgement of receipt will be confirmed by the Accounting Department.
- Once the JIRA request is received for adjustments to transactions that have been fully expended and the Accounting Department has all of the required documentation to make the change, an adjustment can be processed. A fully expended transaction is one where all costs are final. Exceptions to the fully-expended requirement are made with travel. Lodging/Miscellaneous and Incidental Expenses (M&IE) can be adjusted prior to receipt of the final price of the Government Travel Request (GTR). Adjustments pertaining to problems with disbursements (a disbursement is a payment on a transaction) are handled by the Defense Finance and Accounting Systems (DFAS) Center. The Accounting Division will interface with DFAS to ensure that a transaction is corrected once the Accounting Department has determined that the correction is valid.

Process:

Non Labor Adjustments to Transactions Reported in KFS

Travel (TO)
The SPFA will send a JIRA request to the Financial Management Directorate Accounting Department via the Accounting Division Wiki or an e-mail to Accounting Action. The following information should be included in the request:

- Subject.
- Document Number of the transaction in question.
- MAS amount for the transaction identified.
- KFS amount for the transaction identified.
- FASTDATA amount for the transaction identified.
- Identify requested action. If the final voucher is available in DTS, this should be noted. The Financial Management Directorate Analyst has access to DTS and can obtain the necessary information for validating the lodging/MI&E costs. The final cost for the GTR cannot be adjusted by the Financial Management Directorate Analyst until the final costs are paid. When the GTR cost has been received, the Financial Management Directorate Analyst will finalize the cost of the travel.

(NOTE: Preliminary adjustment can be made by the Financial Management Directorate Analyst from the travel voucher in DTS.)

**Fund Cites (TO)/ Invitational Travel Orders (IT)**

The SPFA will send a JIRA request to the Financial Management Directorate Accounting Department via the Accounting Division Wiki or an e-mail to Accounting Action. The following information should be included in the request:

- Subject.
- Document Number of the transaction in question.
- MAS amount for the transaction identified.
- KFS amount for the transaction identified.
- FASTDATA amount of the transaction identified.
- Identify requested action. Indicate that this is the final cost for this travel and provide, if possible, a copy of the claim (travel voucher or sub-voucher) submitted to PSD. The Financial Management Directorate analyst receives a copy of the paid voucher summary from PSD for the lodging/M&IE. When the paid voucher summary is received the Financial Management Directorate analyst will finalize all costs for travel.

**Requisitions (RQ)**

Note: The Financial Management Directorate Analyst can only adjust those credit card transactions that have been certified by the purchasing agent responsible for the transactions. If an adjustment is necessary to a reported transaction prior to certification, the SFPA will contact the purchasing agent that made the purchase.

The SPFA will send a JIRA request to the Financial Management Directorate Accounting Department via the Accounting Division Wiki or an e-mail to Accounting Action. The following information will be included in the request:

- Subject.
- Document number of the transaction in question.
• MAS amount for the transaction identified.
• FASTDATA amount for the transaction identified.
• KFS Purchase Order (PO)# and amount for the transaction identified.
• Indicate requested action. Financial Management Directorate analyst will research and will contact the SPFA if additional information is required.

Contracts (MIPRs, Requests for Contractual Procurement (RCs), Work Requests (WRs), POs)

The SPFA will send a JIRA request to the Financial Management Directorate Accounting Department via the Accounting Division Wiki or an e-mail to Accounting Action. The following information will be included in the request:
• Subject.
• Document number of the transaction in question.
• MAS amount for the transaction identified.
• KFS amount for the transaction identified and KFS PO#.
• FASTDATA amount for the transaction identified.
• Indicate requested action. Financial Management Directorate analyst will research and will contact the SPFA if additional information is required.

Government Credit Card Purchases (MD)

The SPFA will send a JIRA request to the Financial Management Directorate Accounting Department via the Accounting Division Wiki or an e-mail to Accounting Action. The following information will be included in the request:
• Subject.
• Document number of the transaction in question.
• MAS amount for the transaction identified.
• KFS PO# and amount for the transaction identified.
• FASTDATA amount for the transaction identified.
• Indicate requested action. The SPFA will be contacted if Financial Management Directorate analyst requires additional information or a copy of the documentation.

Claim for Reimbursement Document (RV)

The SPFA will send a JIRA request to the Financial Management Directorate Accounting Department via the Accounting Division Wiki or an e-mail to Accounting Action. The following information will be included in the request:
• Subject.
• Document number of the transaction in question.
• MAS amount for the transaction identified.
• KFS PO# and amount for the transaction identified.
• FASTDATA amount for the transaction identified.
• Indicate requested action. The SPFA will be contacted if Financial Management Directorate analyst requires additional information or a copy of the documentation.

Transactions Appearing in FASTDATA, but Missing in KFS

The SPFA will obtain the transaction history in FASTDATA to determine the origin of the document and view a Document Status Log by JON to see if any notations were made to the local code when the document was entered. If the transaction is valid a KFS request is made by attaching any available documentation, entering the FASTDATA document number, and providing explanations and notations so that the request is not duplicated by a second execution.

If the missing transaction is a credit card purchase, the SPFA will research KFS for a cancelled document and if necessary, delete the FASTDATA entry if nothing has been charged against it. If a charge has been levied against the document number in FASTDATA, the SPFA will notify the Credit Card Division of the Financial Management Office.

Transactions Appearing in KFS Assigned to Incorrect Job Order

NOTE: This process is to be used only if a job order has been erroneously entered into one of the business transaction systems. The most common example of an erroneous entry is a typo in the job order when a transaction was created. This process is not to be used for transferring costs from one account to another account. Cost transfers are initiated by the PI/PD.

The SPFA will send a JIRA request to the Financial Management Directorate Accounting Department via the Accounting Division Wiki or an e-mail to Accounting Action. The following information will be included in the request:

• Subject.
• Document number of the transaction in question.
• JON of the transaction in question.
• A statement indicating that the recorded transaction does not apply to the account identified. If the appropriate account is known, then indicate the appropriate account.
Chapter III. MONITORING AWARDS

E. Projecting Expenditures

Summary: The PI/PD may want to forecast future expenditures. This is a useful planning tool that some PI/PDs have adopted. Forecasting expenditures can be used to ensure that sufficient funding is available to complete the required work, to plan the workload, or to determine if an upgrade to a planned equipment expenditure is feasible. Forecasting can also be used to determine if residual funding is available. Forecasting expenditures is not a requirement, and is at the discretion of the PI/PD.

Process:

1. Projecting expenditures is a useful practice to assist the PI/PD in the management of their sponsored project. The SPFA should be familiar with the PI/PD’s preference.
2. Labor is the most common budget category where projections are used.
   a. The MAS workbook has a Labor Projection Worksheet. It allows anticipated faculty and staff labor costs to be recorded and a balance to be projected. Projecting labor allows the PI/PD to know the timeframe in which work must be completed.
   b. The projected labor is entered on the MAS Labor Projection worksheet in the same manner as current labor expenditures. Entry will include the individual’s name, pay period, hours worked, and hourly wage. The labor expenditure will be automatically calculated. If indirect cost is associated with the labor projection, it will also be automatically calculated.
   c. The projected labor/indirect total is transferred to the Practice Budget Page when the labor expends. The Practice Budget Page can then be checked to ensure that projections, along with current expenditures are keeping within the approved budget.
3. Other budget categories can also include projections. These are entered as if they were regular transactions, but the “Comments” column should indicate that the line item is only a projection.
4. If the sponsored project budget includes payments for an Intergovernmental Personnel Act (IPA) Agreement, the amount budgeted should be reserved or projected when the account is set-up. This reserve can be adjusted as payments are made. The SPFA will be notified of payments by the RSPO. When a payment for the IPA is recorded on the Contracts Page in the MAS workbook, the amount reserved for the IPA is reduced by the amount of the payment. It is important to reserve payment for IPAs to ensure that the funds that are set aside are not spent.

Related Sections:
Chapter III.B. Maintaining Memorandum Accounting System (MAS)
Chapter III. Monitoring Awards

F. Attestation Process

References:  
(a) NAVPGSCOLINST 7000.2  
(b) NAVAUDSVC N2013-0038: Fiscal and Resource Management at the Naval Postgraduate School  
(c) SPPGM-05-04: Fiscal Responsibilities of Principal Investigators/Program Directors

Summary: Expenditures to a sponsored project must be certified by the PI/PD every 90 days during the life of the account. The following certification statement appears on the Attestation Document for every sponsored project account:

To the best of my knowledge,

This certification is the responsibility of the project PI/PD. The PI/PD may not delegate the certification of the appropriateness of the expenditures.

The PI/PD’s certification ensures that all expenses charged to the sponsored account are allowable, allocable to the project, and reasonable.

The certified NPS Attestation is permanently kept in KFS when submitted by the PI/PD.

Policy:

- KFS will send automated e-mail reminders to the SPFA/FA and PI (via an Action Item) 15 days in advanced of their respective attestation due dates.
- The PI/PD will certify an attestation on each account for which he/she has responsibility.
- The PI/PD cannot delegate the attestation of the appropriateness of charges to a specific account.
- An attestation will be completed at the end of each 90-day increment of the account effective date (the date that the funding document was signed by sponsoring agency).
- A final attestation will be completed when the account expires. At the final attestation, the SPFA will note all pending actions, such as contracts that have not been fully paid out; equipment that has not been received and/or billed, and for which the final cost is not established; or labor that has not been posted.

Process:

1. Once an automated e-mail reminder is received by the SPFA, the SPFA will ensure that the account is reconciled, and that the account is ready for attestation.
2. SPFA/FA will attach a .pdf version of all the KFS report pages to the KFS
document using the Notes and Attachments feature in KFS.

3. Any reconciling items should also be noted in the Notes and Attachments section before clicking the Submit button.

4. After the SPFA/FA submits the attestation document, but no later than 15 calendar days after the SPFA’s/FA’s initial e-mail notification, the KFS attestation document automatically routes to the PI’s Action List.

5. The automated forwarding after 15 days ensures that the PIs receive timely notice and a minimum of 15 calendar days to attest before the due date.

6. If the PI/PD has indicated he/she cannot attest that all transactions recorded on the KFS report (including the annotations included on the attestation) were in support of the project, the PI/PD will notify the SPFA so the transaction(s) in question can be researched. If corrections to the account are required, then the SPFA will initiate the corrective action. The SPFA will report the results of the research to the PI/PD. If the PI/PD can then attest with additional supporting documentation as to requested corrective action or that all transactions recorded on the KFS report were in support of the project, then the PI/PD will attest.

7. The final attestation will indicate the full period that the account was active.
Chapter III. MONITORING AWARDS

G. Project Files

Summary: There is a variety of data relating to a sponsored project. This includes, but is not limited to, the proposal, approved expenditure control pages, transaction documents, correspondence, reports, etc. It is very useful to have this data compiled in a single file for the PI/PD and SPFA. Whereas much of this information is available in a variety of electronic or sometimes hard copy formats, the retrieval can be cumbersome. Since KFS stores procurement documentation with the exception of final contracts and attestations within each account, it is easier to keep hard copies only as needed and then electronically file all the data pertaining to a sponsored program on the RSPO SharePoint site. This file is called the Project File. It can be used by the SPFA in the daily performance of their duties using both electronic and hard copies as needed to complete the file, storing everything electronically at the time of close-out. It can be made available to the PI/PD for review.

Policy:

- A Project File will be maintained for each account and will be archived for five years.
- Project files for current accounts can be both hard copy and electronic. Hard copies will be maintained in a physical location within the working area of the SPFA. Hard copy archive project files should be stored in an identifiable location. The electronic archive project files are stored on the RSPO SharePoint site.

Process:

1. When an account is set up in support of a project, a copy of the approved proposal will be provided to the SPFA via SharePoint.
2. The SPFA will set-up the project file. It can be set-up in a binder or on the RSPO SharePoint site. If a binder is used, index tab sheets should be utilized to identify the different sections.
3. The project file hard copy binders will be labeled with the fiscal year, PI/PD, project title, and JON. The electronic project file will have categories available for labor, travel, purchases, and contracts.
4. The hard copy project files should be stored in the SPFA’s work area. The location should also be easily accessible to PI(s)/PD(s) requesting to review their account(s).
5. Paperwork pertaining to a specific account received within the workday should be filed by the day’s end if at all possible. This ensures that the project file is current and that information pertaining to the account is readily available.
Chapter III. MONITORING AWARDS

H. Cost Transfers

Reference:  (a) SPPGM-03-04: Fiscal Responsibilities of Principal Investigator(s)/Program Director(s)

Summary: It is generally assumed that when a transaction against a sponsored program account is processed, that care has been taken to ensure that the transaction was in direct support of the project and that funds were available to pay for the transaction. Even with the best planning and/or intentions, mistakes can happen, and it may be necessary to transfer the cost of a transaction from the account originally charged to an alternate source of funding. Examples of incidents that could generate the requirement for a cost transfer include:

- Miscommunication between the PI and SPFA when projecting labor charges
- Miscommunication between the PI and administrative support personnel when completing the faculty labor plan
- An unexpected increase in the cost of a previous transaction causes the account to be over expended
- An erroneous entry in the accounting system causes an unrelated transaction to be charged to the sponsored account.

When an alternate source of funding is identified for the cost of a transaction, the alternate source must be appropriate for acceptance of those charges. In other words, the transaction must have a direct relationship to the alternate source of funding. Most reimbursable accounts are “restricted.” In other words the account is set up to support a specific purpose and all charges to that account must bear a direct relationship to that purpose. If the cost of a transaction must be transferred and that transaction does not support the effort underlying an alternate reimbursable account, then the costs must be transferred to an “unrestricted” account. An unrestricted account is one that is available to the activity for general support (e.g., the “Department OPTAR” account).

The cost for either a labor or non-labor transaction can be transferred to another source for funding. As mentioned above, cost transfers should not be the “norm.” Careful planning and attention to detail will normally prevent the requirement for cost transfers.

Policy:

- All transactions charged to a sponsored program account must have a direct relationship to the purpose for which the account was established.
- PI/PD approval is required for all transactions charged to his/her account(s).
- Department Chair/Dean approval is required for all transactions to a Department/School unrestricted account.
- Cost transfers should be avoided by careful planning and attention to detail. Cost transfers from an account that has been over expended or an expired account must
be requested via a JIRA request which is found at: https://wiki.nps.edu/display/CAARS/Accounting+Department, or a request submitted to Accounting Action via e-mail.

- If an appropriate restricted account is not available to accept the costs, the transaction cost must be transferred to an unrestricted account.

**Process:**

**Labor:**

1. Labor cost-transfers on sponsored programs will be completed by the Department/School/Institute timekeeper. Timekeeping for labor on a sponsored project is accomplished by the timekeeper assigned to the PI/PD’s home Department/School/Institute.

2. The request for the cost transfer can be initiated by either the timekeeper (correcting an erroneous entry) or by the SPFA (labor charge differed from PI/PD plan). In either case, both the timekeeper and SPFA must be aware of the transaction in order to keep records current. Communication between these support elements is essential for efficiency.

3. A cost-transfer for labor is often referred to as a “supplemental” as it supplements the original timekeeping transaction. A cost-transfer for labor can be completed in the timekeeping system (SLDCADA) for up to one year. However, under new guidance labor supplements may only be done within two pay periods without requiring additional approvals through the Department chain of command. Supplements submitted outside the two pay period limit must be submitted via a memorandum through the Department chain of command. The memorandum is located at: https://fnasp.ern.edu.nps.edu/comtrol/accounting/time/test/FY14%20Justification%20Older%20Supplemental.pdf.

4. If the transaction is initiated by the SPFA, he/she will route specific details on the transaction to the timekeeper for correction. Details will include: pay period ending (PPE), name of person, number of hours charged during pay period, JON originally charged, and the JON that should be charged.
   a. If the cost transfer is being initiated due to a difference in what was “projected” and what was charged, the SPFA will contact the PI/PD to ensure that the “projection” is still valid.
   b. If the cost transfer is being initiated due to an “unknown person” being charged to the account, the SPFA will contact the PI/PD to ensure that the identified individual was inappropriately charged to the account. If the individual should not have been charged to the reimbursable account and the individual is outside of the Department of the PI/PD, the SPFA should notify the individual’s timekeeper.
   c. If the cost transfer is being initiated to align labor with travel that has occurred, the SPFA must validate that the total cost of travel is from one account or were “split” between two or more accounts. In either case, the SPFA will notify the PI/PD of the labor adjustment. If the traveler is other
than the PI/PD, then the SPFA will notify the PI/PD to ensure that the PI/PD is cognizant of the full cost being charged to his/her account.

d. If the cost transfer is being initiated because an account is over expended or has expired, a JIRA request must be sent via the Accounting Division Wiki or an e-mail request to Accounting Action. The request must include the information outlined in para. 4 above, along with a brief explanation as to why the transfer is necessary and a statement that the cost(s) being requested for transfer is appropriate to the “receiving” account.

5. Adjusted costs for the labor transaction will be recorded in MAS, as appropriate.

6. Correspondence (e-mail/JIRA request) related to the cost transfer will be filed in the appropriate project files or maintained electronically.

7. The SPFA will follow-up on all labor cost-transfer actions to ensure that they are recorded in the official accounting system appropriately and within a reasonable timeframe. The SPFA should follow-up with the individual to whom the request was forwarded (timekeeper) if the transaction does not appear in KFS within two weeks following the supplemental being submitted.

Non-Labor:

1. Transferring costs for non-labor transactions must be completed by a JIRA request via the Accounting Division Wiki or an e-mail request to Accounting Action.

2. Cost transfers for non-labor transactions must be approved by the PI/PD.

3. The JIRA request will include: type of transaction, document number, description of transaction, cost of transaction, original JON charged, JON identified to receive costs, a brief explanation as to why the transfer is necessary, and a statement that the costs being requested for transfer are appropriate to the receiving account.

4. Adjusted costs for the non-labor transaction will be recorded in MAS as appropriate.

5. Correspondence (e-mail/JIRA request) related to the cost transfer will be filed in the appropriate project files or maintained electronically.

6. The SPFA will follow-up on all non-labor cost transfer actions to ensure that they are recorded in FASTDATA within a reasonable timeframe.

Note:

1. Sometimes it may be necessary to send an e-mail to the KFS Ombudsman to process a journal voucher (JV) when a purchase order (PO) is closed for the incorrect amount and when the PO cannot be amended.

Related Chapters:
Chapter III.D. Reconciling Accounts
Chapter IV. Transaction Processing
Chapter III. MONITORING AWARDS

I. Suspense Files

Summary: During the monitoring of an award, there will be a number of actions that are pending at any given time. It is important to establish a plan for following-up on pending actions to ensure that these actions are accomplished in a timely manner. The method for tracking a pending action is often referred to as a “suspense file.”

Examples of items that would have action pending include:
- Cost Transfers
- Reconciliation JIRAs
- Actual Costs on Non-Labor Transaction
- Labor Supplementals

It may be too cumbersome to maintain suspense files on all of these examples, but at a minimum, some method should be developed for those that are the most time-critical, i.e., cost transfers, reconciliation JIRAs, and labor supplementals.

Process:

SPFAs should develop a process for follow-up, or for maintaining a “suspense file” that best fits their individual work habits. An electronic file, flag an e-mail, or a hard copy file can serve the purpose for a suspense file until resolution. The Task Option in Outlook is one example of an electronic system; a folder with copies of pending actions is an example of a hard copy file.
Chapter IV. TRANSACTION PROCESSING

A. Labor

Summary: Labor on a sponsored project is also referred to as “effort.” The PI/PD’s labor or other designated project personnel’s labor is considered an “effort” toward the completion of the deliverable described in their proposal. The level of effort is what appears as the approved amount in the labor category on the approved expenditure control page.

The SPFA’s role in the labor process is related to reviewing charges to sponsored accounts and recording the labor expenditures in the MAS workbook. Labor is recorded as it is expended. This not only ensures accurate account balances, but also ensures that personnel have been appropriately charged to the right account.

All faculty/staff input their labor into SLDCADA, or have the departmental timekeeper input their labor into SLDCADA, indicating how they will be paid. The SPFA may first learn of a labor charge to a sponsored project when receiving a SLDCADA report from the timekeeper. The SPFA does not need to verify each labor charge with the PI/PD of the sponsored projects indicated by JON on the report, but they should be familiar with who should and should not charge labor, and verify any charges that do not seem appropriate with the PI/PD. Verifying that funds are available for the requested labor charge(s) on a JON is essential. The PI/PD quarterly “Attestation” will also ensure that all charges were appropriate to the JON.

Policy:

• Labor is charged to the sponsored project at the time that the effort is expended. All labor charged to a sponsored project must directly contribute to the completion of the deliverable.
• Only the PI/PD, or his/her designated representative, can approve labor charges to his/her sponsored project.
• Department Chairs, School Deans, or administrative personnel cannot approve sponsored project account labor costs for personnel unless they are the PI and are approving their own labor charges.
• In general, a level of effort is included on all sponsored projects.

Process:

1. Bi-weekly Labor Certification:
   a. The timekeeper will forward the Pre-Certified SLDCADA report to the SPFA when labor has been posted in SLDCADA.
   b. The SPFA will ensure that sufficient funding is available in the JON.
   c. The SPFA will initially review the SLDCADA report to ensure that personnel identified for charges to a sponsored project bear a direct relationship to the project. If a name seems unfamiliar, the SPFA should check the proposal or
other records to see if the identified individual has been designated by the PI/PD as providing direct support to the project. If the SPFA cannot find any indication that the individual is working on the identified JON, then the SPFA should contact the PI/PD for approval of the labor charge. This approval should be kept with the project file. If the PI/PD indicates that the individual should not be paid from the sponsored project account, the SPFA should notify the timekeeper that the labor charge is inappropriate. The SPFA will maintain a copy of the communication with the PI/PD/timekeeper in the project file and follow-up to ensure that the inappropriate charge is corrected.

d. The SPFA will compare the SLDCADA report to labor projections if provided by the PI/PD. If the SLDCADA report does not agree with the labor projections provided by the PI/PD, the SPFA will contact the PI/PD for clarification. If the projections are correct and the SLDCADA report is incorrect, the SPFA will notify the timekeeper. The SPFA will maintain a copy of the communication with the PI/PD/timekeeper. If the SLDCADA report is correct and the projections are incorrect, the SPFA will ensure that the appropriate labor charges are entered into MAS. The SPFA will maintain a copy of the communication with the PI/PD. If the SLDCADA report agrees with the labor projections provided by the PI/PD, the SPFA will “cut” the projected labor entry from the labor projection sheet in the MAS Workbook and “paste” it to the labor sheet in the MAS Workbook.

e. The SPFA will compare the SLDCADA report to travel conducted and paid from a sponsored project account during the pay period. This can be done by checking the MAS Workbook for the JONs identified on the SLDCADA report, or the SPFA can maintain a suspense file of travel by pay period and use this information to compare it to the SLDCADA report. If labor is not indicated on the SLDCADA report for an individual that traveled during the pay period, the SPFA will check to see if a justification for split accounting has been completed. (NOTE: The justification for split accounting should have been completed when the travel order was processed and the SPFA should have indicated “split accounting for labor (JON)” in the comments section when the travel expenditure was entered into MAS.) If for some reason a justification for split accounting has not been recorded in DMAS or on the travel order, the SPFA will contact the PI/PD. If the PI/PD indicates that there is no justification for paying labor from a different source than that which funded the travel, the SPFA will include the labor costs for the traveler in the MAS workbook. The SPFA will contact the timekeeper of the traveler and provide the name of the traveler, the days on travel, and the appropriate JON to charge. The SPFA will maintain a copy of the communication with PI/PD/timekeeper.

f. The SPFA will continue with entries into the MAS workbooks of the remaining labor charges from the SLDCADA report. (See Chapter III.B. Maintaining MAS).
Notes:
1. The PI/PD, or his/her designated representative may or may not provide labor projections to the SPFA. Whereas labor projections are encouraged, the practice is at the discretion of the PI/PD. The SPFA can alert the PI/PD to the advantage of projecting labor for efficient project management.
2. Data entry into SLDCADA is a time-sensitive process. Coordination between the timekeeper and SPFA is very important. If a JON does not have sufficient funds available, the SPFA will notify the PI/PD/timekeeping so that they can correct the JON in SLDCADA.

Related Sections:
Chapter I.C. Relationships
Chapter III.B. Maintaining Memorandum Accounting System (MAS)
Chapter III.C. Reviewing Expenditures
Chapter III.D. Reconciliation
Chapter III.E. Projecting Expenditures
Chapter III.F. Attestation Process
Chapter III.G. Project Files
Chapter V.F. Calculating Labor
Chapter IV. TRANSACTION PROCESSING

B. Travel

Summary: Travel on a sponsored project refers to expenditures relating to domestic or foreign travel in support of the sponsored project, or an invitation for others to travel on behalf of the sponsored project. The SPFA’s role in the processing of travel transactions is to review expenditures to ensure alignment with the appropriate account and availability of funds, and to ensure that labor for the time spent on travel is charged to the same account as the travel, unless a justification for split accounting is provided.

Policy:

- All travel charged to a sponsored project account must directly contribute to the completion of the deliverable.
- Only the PI/PD or his/her designated representative can approve travel charged to his/her sponsored project.
- Department Chairs, School Deans, or administrative personnel cannot request a travel transaction from a sponsored project account.
- An approved travel authorization must be issued prior to a traveler incurring travel expenses. Unless, the expenses can be claimed on a local voucher for which travel is less than 12 hours for a one day trip.
- While on travel, labor will be charged to the same sponsored project account as the travel, unless a written justification is submitted with the travel request explaining the requirement for split accounting.

Process:

1. Notification from DTS:
   a. E-mail notice will be received stating a travel action is pending review.
   b. The SPFA will log on to DTS.
   c. DTS will list all travel authorizations in the SPFA’s routing that are to be reviewed. Under “DocumentsAwaiting Your Approval” click “Click Here” to see the list. Click on “Review” of the travel authorization requiring review.

2. Reviewing/Processing the Travel Authorization:
   a. The SPFA will review the travel authorization to ensure that travel is associated with the sponsored project account identified.
   b. The SPFA will open MAS workbook to ensure that funding is available for travel and for associated labor for the traveler. Associated labor costs are recorded on the projected labor sheet. Labor is not an issue if the traveler is not an NPS civilian employee; i.e., an NPS military faculty member or a student.
   c. If sufficient funding is not available, the SPFA will notify the PI/PD.
   d. If sufficient funding is available, the SPFA will process the travel transaction. Note: The SPFA will be in the “REVIEW” status in DTS. The SPFA must review the travel order and “sign” it, so that the process can continue. If the
traveler is other than the PI/PD, the SPFA will click on the substantiating records link to verify the PI/PD signed the travel request worksheet for the student to use his/her funds for travel. But, if the traveler is another faculty member from the same department, normally it is necessary to contact the PI/PD if you are familiar with your department requirements. However, you must contact the SPFA to obtain permission to use another department account and to verify funds availability. Communication with the PI/PD should be accomplished by e-mail and the SPFA should keep copies of the communication with the travel order.

e. The SPFA will enter data in the MAS workbook on the travel sheet. (Note: It is best to separate cost of per diem and airfare in order to identify payments during the reconciliation process.)

f. The SPFA will post projected labor costs to MAS on the projected labor sheet, and identify the travel dates in the comments column, i.e., for period of TDY from 1-4 July.

g. The SPFA will confirm the labor charges during the time of travel with the timekeeper. This notification should be completed by e-mail and confirm the dates of travel, the traveler, and the JON. The e-mail notification can be filed in the suspense file or with the travel order to use when validating the labor charges recorded in SLDCADA.

h. The SPFA will maintain a copy of the travel order. The travel order will be filed in the sponsored project account file or can be temporarily filed in a suspense file until the transaction is complete.

3. Processing Invitational Travel Authorizations (ITAs):
   a. An ITA is created by the travel arranger within the Travel Office and routed through DTS for approval by the approving official. The ITA request worksheet must be approved by the PI/PD, signed by the SPFA and then uploaded into DTS before final signature and issuance to the traveler. When the ITA request is received from the PI/PD, the SPFA will verify that the travel is aligned to the project and the account identified. The SPFA will enter the travel information in the MAS workbook on the travel sheet and will file a copy of ITA in the project account file.

b. The signed ITA approval will be given to the traveler. The Organizational Defense Travel Administrator (ODTA) or Program Manager (PM) will follow up with the traveler for completion of the reimbursement process.

4. Processing Fund Cites: The PI/PD contacts the ODTA to authorize a fund cite. The fund cite will be prepared by the ODTA based on data from the traveler and routed through the SPFA. The SPFA will ensure that funding is available. The SPFA will retain a copy of the fund cite for the sponsored project account file and return the original to the ODTA or PM. The SPFA will enter the travel information in the MAS workbook on the travel sheet. The ODTA or PM will continue processing the fund cite via the travel office POC.

5. CANCELLATION of Travel Authorizations: During reconciliation, if a travel authorization has not been vouched within a reasonable amount of time, the SPFA will contact the ODTA or PM to determine if a travel voucher was filed. If the
travel was an ITA, then the SPFA will contact the original ODTA or PM who will then contact the traveler or PI to see if the travel was completed. Note: When travel is canceled, it may take several months for the airfare credit to appear in KFS. The ticket cost will remain in KFS until the credit is received.

6. Posting the Actual Cost of Travel
   a. The SPFA will update MAS with the final travel cost based on the DTS-generated report provided by G2 Software Systems, our NPS Tier 2 help desk. The travel can be considered final once the travel cost in KFS has moved from “encumbered” to “actual.”
   b. The final cost of ITAs and fund cites can be found in KFS when the “encumbered” expense moves to the “actual” column. FASTDATA also provides the final cost of travel, and is so indicated with a TO document number.

   Note: Other costs or credits to the total travel costs may occur. Examples of these costs are: GTR credit for prompt payment (typically less than $5.00); GTR credit for an unused segment of the ticket; additional costs due to a change in itinerary; a refund to the Government by the traveler per a DFAS audit; a supplemental voucher for additional costs not paid on the original voucher.

Related Sections:
Chapter I.C. Relationships
Chapter III.B. Departmental Memorandum Accounting System (MAS)
Chapter III.C. Reviewing Expenditures
Chapter IV. TRANSACTION PROCESSING

C. Procurement (Equipment/Supplies/Miscellaneous)

**Summary:** Procurement on a sponsored project covers expenditures in several categories (i.e., equipment, supplies, conference registration fees, shipment of goods, honoraria, etc.). These items are lumped under the Equipment/Supplies/ Miscellaneous category on the Approved Expenditure Control Page. The SPFA’s role in the processing of procurement transactions is to review expenditures to ensure alignment with the appropriate account and availability of funds. The SPFA will receive transactions directly from KFS via an action item.

**Policy:**

- All equipment/supplies/services charged to a sponsored project account must directly contribute to the completion of the deliverable.
- Only the PI/PD or his/her designated representative can approve procurement charges to his/her sponsored project.
- Department Chairs, School Deans, or administrative personnel cannot approve procurement transactions from a sponsored project account.

**Process:**

1. The SPFA will normally receive e-mail notification of a pending action item in KFS.
2. The SPFA will review the Action Item for the following:
   - That commodity and object codes are correct.
   - The item is within the proposal scope.
   - The initiation FASTDATA (FD) number should be located in the upper left in The KFS PR in the ORG DOC field.
3. During the SPFA review of the eDoc, the SPFA will need to verify funding availability. This should be done in MAS and KFS.
   - In FASTDATA the SPFA will “Select Role”; find the organization the PR JON is in (04 – Research).
   - Click “Documents.”
   - Click “Update” document and search for the FD document number indicated in the PR.
   - When you click on your FD#, verify the line items and amount of the PO. Once you determine everything is correct, click the ‘Source’ button on the top right of the screen and then save. Once you save the document the funds are obligated in FASTDATA.
   - Once saved; close the screen. You will be brought back to the document drop down menu. Click on “Print Document.” Find your FD document, check the box, then click “Print” on the bottom of the screen. Your FD document will show up as an Adobe document. At the bottom of the screen click “Save” to save the FD document (to your desktop or in a file).
4. Go back to your KFS PR and upload the FD document into the KFS Notes and Attachments. Once your document is uploaded and saved into the KFS PR, you can save and approve the KFS PR.

5. The SPFA will enter the procurement transaction on the equipment/supplies page of the MAS database.

6. The SPFA will receive e-mail notification from the purchasing agent/card holder if there is a price increase to increase FASTDATA. The SPFA will make the increase requested in FASTDATA and send the new document to the requestor so they have it for their files and can continue with the purchase.

7. The SPFA will update MAS with the updated cost of the procurement transaction.

8. The KFS PR or PO .pdf file can be printed and filed in the sponsored project account file or kept in a digital file instead of a hard copy sponsored project account file; some SPFAs have gone digital.

Related Sections:
Chapter I.C. Relationships
Chapter III.B. Maintaining Departmental Memorandum Accounting System (DMAS)
Chapter III.C. Reviewing Expenditures
Chapter IV. TRANSACTION PROCESSING

D. Contracts

Summary: The PI/PD may determine at the time that work is proposed that the effort cannot be completed with in-house capabilities alone. This may be due to the work being a collaborative effort with another activity, the need for technical expertise not on permanent staff at NPS, specialized short-term requirements, or equipment required to complete the proposed effort. A different scenario, where a project requires contractual services, is when the PI/PD has proposed the use of in-house assets, but during performance, those assets are not available. In these instances, a contract could be issued for a specific deliverable in support of the sponsored project.

There are several contract categories on the approved expenditure control page. These are Contracts-Support Services, Contracts-Grants/Coop Agreements, Contracts-Tuition/Fellowships/NRC, Contracts-IPA, Contracts-Transfer to Other Agency, and Contracts-Other. The different mechanisms that transfer funds to an activity outside of NPS are included in these “Contract” categories.

The role of the SPFA on most contractual transactions is limited. In most cases, the PI/PD will work directly with the Contracting Office to initiate a contract.

Policy:

- All contractual expenditures on a sponsored project account will be in direct support of the project.
- All contractual services funded from a specific project must be delivered within the period of performance of that project.

Process:

1. Contractual transactions initiated by the PI/PD or their designated representative.
   a. The PI/PD, or designated representative, must complete all required documentation. This information can be located at: https://fnasp.ern.nps.edu/CLMgt/Templates/default.aspx.

   - For Firm-Fixed-Price Service(s) Over $2,500/Under $150,000 this includes: 1) Performance-Based Statement of Work; 2) Market Research Memorandum; 3) Independent Government Estimate; 4) Non-Personal Services Determination; 5) Inherently Governmental Functions Determination; 6) Non-Disclosure Agreement; 7) COR Nomination/Appointment Letter (DAU CLC 106 Class Certification, Ethics Training); 8) Sole Source Justification (for services only available from a single source); 9) FAR Part 39 Justification (for IT Services where resumes will be evaluated); 10) DD254 Contract Security Classification Specification (if clearance required); 11) Institutional Review Board Approval (if Human Subject Research).
• For Service(s) Over $150,000 this includes all of the above plus:
  12) COR Nomination Letter (include DAU CLC 106 or 222, Ethics Training, Human Trafficking Training Certificates; 13) Management and Oversight Process for the Acquisition of Services (MOPAS); and 14) Cost Estimate/Market Research/Sole Source/Statement of Work for Contracts Under the Micropurchase Threshold Form.

• For Publication Page Charges this includes 1) Journal Page Charge Cost Estimate; 2) Signed NPS Public Release Review Form; and 3) Completed Page Charge Form/Publisher Terms and Conditions.

• For Firm-Fixed-Price Product(s) Over $3,000/Under $150,000 this includes: 1) Description of supplies (salient characteristics); 2) Sole source or brand name justification; 3) Market Research Memorandum; 4) FASTDATA funding document (Miscellaneous Document-MD); 5) Information Technology Procurement Request (ITPR) Approval (if Information Technology, Direct accounts only); 6) Items requiring additional approvals/commodity codes: Hazmat, Safety, Export Control items.

• For Exercising a Contract Option this includes: 1) Copy of the Current Contract and 2) Contractor Performance Report.

b. The PI/PD or designated representative initiates a requisition in KFS and attaches required documentation to include the Contracting Documentation Checklist.

c. The PI/PD or designated representative initiates the 2275, 2276, or 2276A in FASTDATA per FASTDATA instructions and then adds the document number to the KFS requisition.

d. The SPFA or Funds Administrator will receive a KFS action item e-mail notification and will review to assure adequate funding is available.

e. SPFA or Funds Administrator will also review the requisition for accuracy, Completeness, and to ensure that the correct object class code is used.

f. The SPFA will then approve the requisition for continued routing.

g. If problems are found during the routing, the document may be disapproved and the process will begin again.

h. The SPFA will record the transaction in MAS.

i. The SPFA will file a copy of the contract request PR and any documentation in the project file.

Notes:

1. All contracts, regardless of requirement or need must be routed to the Financial Management Directorate for review for indirect costs. The reviewer will ensure that indirect is properly assessed if applicable. Therefore, the “service contract” commodity code must be used and selected for all requisitions requiring contracting services.

2. Contractual transactions can require more time than a simple procurement action.

3. The timeframe for completing contractual transactions may be restrained due to the late arrival of funds and the immediate need for a service. This situation
requires close coordination between the PI/PD and the Contracting Office.

4. Contracts for services will normally expend over a period of time. The SPFA can monitor the expenditure rate in KFS. When a contractual service has been completed and the deliverable accepted, the final cost will appear in KFS under Actual Expenses.

Related Sections:
Chapter I.C. Relationships
Chapter III.B. Maintaining Memorandum Accounting System (MAS)
Chapter III.C. Reviewing Expenditures
Chapter V. RELATED PROCESSES

A. Indirect Costs

Reference:  
(a) NAVPSCOLINST 7130.1A  
(b) NAVPSCOLINST 3900.1C  
(c) Memo 7000, Ser 237, dated 1 Aug 13

Summary: All universities engaged in sponsored activities recover an indirect cost. Indirect costs are those costs that provide general support to sponsored programs, but are not easily segregated or identifiable as a direct cost. For instance, the SPFA position is considered an indirect cost. The SPFA provides support to the faculty engaged in sponsored programs, but it would be difficult to charge the SPFA’s time proportionately to each project he/she supports. Instead the SPFA’s time is charged to an indirect cost account.

“Indirect cost recovery” is the term used by the university to “recover” the costs of individuals such as the SPFA. Other administrative positions providing indirect support include those involved in procurement, travel, sponsored programs administration, accounting, information technology, human resources, library support, public affairs, and legal.

Under the Navy’s special guidance governing indirect costs, there are certain other research-related expenses considered as indirect. These other indirect costs fall under a general category called “bid and proposal.” Bid and proposal efforts are those normally performed by faculty in either activity to attract new sponsored funding or to report on sponsored activities after the project has been completed and funding expended.

Indirect cost recovery is accomplished by applying an indirect cost rate to each sponsored project. The indirect cost rate and how it is generally applied is determined by the Assistant Secretary of the Navy (ASN) (Financial Management and Comptroller (FM&C)). Indirect cost recovery is calculated on a daily basis during the nightly posting to the general ledger in KFS. The indirect costs “recovered” are accumulated in “indirect cost statistical accounts.”

Indirect costs are indicated as a budget line item in the PI/PD’s proposal budget. An estimate is included in the proposal budget based on the estimated labor and contract labor included in the proposal budget. When a project is funded, indirect cost is a line item on the expenditure control page. Indirect costs are also included in the MAS workbook so that the SPFA can record the recovery as an expense to the sponsored project account. (Indirect is automatically calculated in the MAS workbook when an expenditure is entered that is assessed indirect.)
Policy:

- Reference (a) above provides detailed guidance on NPS’s current indirect cost policies.
- Indirect costs are recovered as directed in reference (a).
- Recovered indirect costs can only be spent as outlined in reference (a).
- Indirect costs are a budgeted line item in those proposals subject to indirect costs.
- The PI/PD can submit a waiver for indirect cost recovery to the Dean of Research (sponsored research or services) or the Vice Provost for Academic Affairs (sponsored education).

Process:

Monitoring Awards

- As the SPFA records an indirect chargeable item to the MAS workbook, the associated amount of indirect costs is automatically calculated and appears in the “Indirect Cost” column of the MAS workbook. The indirect costs to date are totaled and also appear on the summary sheet of the MAS workbook. The indirect cost rate for the sponsored project is also indicated in the header information on the summary sheet of the MAS workbook.
- The SPFA will reconcile the sponsored account with KFS by comparing the amount on the summary sheet in the MAS workbook with the amount appearing in KFS.
- Note: The indirect cost budget category on the expenditure control page has a direct relationship to the indirect chargeable categories. The authorization for indirect costs cannot be decreased to cover a shortfall in a non-labor category.

Preparing Proposal Budgets

The PI/PD may request assistance in the preparation of his/her proposal budget. Information on proposal budgets can be found on the RSPO website.

Related Chapters:
Chapter III.B. Maintaining Memorandum Accounting System (MAS)
Chapter III.D. Reconciling Accounts
Chapter V. RELATED PROCESSES

B. Support Personnel

Reference:  
(a) NPS Faculty Handbook  
(b) SPPGM-03-12: Use of Administrative/Clerical Personnel on Sponsored Projects  
(c) SPPGM-03-15: Methods for Providing Support Personnel for Sponsored Programs

Summary: Faculty engaged in sponsored activities may require the assistance of personnel other than the PI/PD and Co-I/Ds. This is most common in large projects or in projects where a considerable amount of programming support is required.

There are several means by which the PI/PD can bring on additional support personnel to assist with the completion of the deliverable outlined in their sponsored project proposal. Assistance can be found through hiring or contractual mechanisms. The most typical means for acquiring additional support are the following.

- **Non-Tenure-Track Research Faculty**: These appointments include Research Assistant Professors, Research Associate Professors, and Research Professors. These tend to be more of a long-term position for faculty that are engaged in research and are interested in pursuing a promotion process similar to that of the tenure-track faculty member. This is a hired term position.

- **Non-Tenure-Track Faculty Appointments**: These appointments include the Research Fellow and Faculty Associate positions. These appointments can be short or long term, but incumbents are not part of the same promotion process as the research professor series. This is a hired term position.

- **Lab Technicians**: Lab technicians are normally under the General Schedule (GS) category of civil service employment. This is a hired position and it can be either permanent or term. If it is a permanent position, the incumbent has normally been hired as a Department/School/Institute asset and the PI/PD has made arrangements with the Chair/Dean/Director to utilize a portion of the individual’s time to support their project. If the PI/PD requires a full-time lab technician, then it would be a term position.

- **Contracted Technical Support**: The PI/PD can contract for dedicated technical support. The Contracting Office can assist the PI/PD with the contractual process and can advise as to the contracting vehicles available.

- **Post-Doctoral Programs**: NPS participates in two national post-doctoral programs administered by the National Research Council and the American Society for Engineering Education. Information about these programs is available on the RSPO website.
• **Administrative Support:** When meeting certain criteria, the PI/PD can contract for administrative support for his/her sponsored program. Criteria are detailed in reference (b) above. It must be noted, however, that the PI/PD cannot contract for their own SPFA. The SPFA is a function performed by an NPS employee.

**Policy:**

• Project support personnel, if required for a proposed sponsored activity, must be included in the proposal budget prepared by the PI/PD. The cost of research support personnel should be included in the appropriate budget category (support labor, contractual-services) on the proposal budget.
• Project support personnel, if hired, are “term” personnel as they are hired to support a specific project that will be conducted over a specific term (timeline).
• Project support personnel are a direct cost to a sponsored project. Support personnel cannot be charged to an indirect cost account.

**Process:**

1. It is the PI/PD’s responsibility to determine if support personnel are required on his/her sponsored project. The PI/PD may discuss the costs associated with the different types of support personnel with the SPFA. It is useful for the SPFA to understand the role of support personnel in relation to a sponsored activity. The PI/PD will work with his/her Department’s administrative staff to hire support personnel. The PI/PD will work with the C&LM Division if support personnel are to be acquired through a contract.
2. Once a project is funded, the SPFA should note the “staff support” or “contracts-services” line items listed on the expenditure control page. If these categories have costs associated with them, the SPFA should ask the PI/PD if the associated personnel are already on board. If personnel are already hired or a contractual arrangement completed, the SPFA should annotate the names of the individuals in the project file or in the MAS workbook. The SPFA should also note whether the support personnel are employees or contractors. If an employee, the hourly wage should be noted. If a contractor, the contracting vehicle should be noted. This knowledge will assist the SPFA when monitoring the award. If personnel are not already hired or if contractual arrangements have not been completed, the SPFA should ask when the actions might be completed.

**Related Chapters:**
Chapter III.A. Notification of Award
Chapter III.B. Maintaining Memorandum Accounting System (MAS)
Chapter III.C. Reviewing Expenditures
Chapter III.D. Reconciling Accounts
Chapter III.E. Projecting Expenditures
Chapter III.G. Project Files
Chapter V. RELATED PROCESSES

C. Assignation of Responsibilities by Principal Investigator(s)/ Program Director(s)

Reference:  
(a) NAVPSCOLINST 3900.1C  
(b) SPPGM-14-07: Assignation of Responsibilities by Principal Investigator(s)/Program Director(s)

Summary: The PI/PD is responsible for his/her sponsored program activity. This includes responsibility for completing the proposal, assuring the proposal is accurate, developing the budget, approving all expenditures, attesting all expenditures are in support of the deliverable, and providing the deliverable.

The PI/PD can assign certain responsibilities to other individual(s) involved in the sponsored activity. This individual could be a program manager in the case of a large project or multiple projects under the direction of a single or group of PI/PDs, or one of the support personnel associated with one or more projects.

The responsibilities that require formal documentation in order to be allowed include:

- Approving expenditures

In order to assign the above responsibilities to another individual, the PI/PD must complete the Assignment of Responsibilities Memo and forward it to the RSPO.

The PI/PD cannot delegate his/her responsibility for the attestation process.

Policy:

- The PI/PD is responsible for the execution phase of his/her sponsored program.
- The PI/PD may delegate certain responsibilities to another individual by completing the “Assignment of Responsibilities” Memo.
- The PI/PD cannot delegate his/her responsibility for the attestation process.

Process:

1. The PI/PD will complete the assignment of responsibilities memo and forward to the RSPO.
2. Only one account can be listed on the assignment of responsibilities memo.
3. If there are multiple PI/PDs on the account, the signature is required of each PI/PD.
4. The RSPO will acknowledge receipt of the assignment of responsibilities memo. If any clarification is required, the RSPO will contact the PI/PD.
5. The RSPO will approve the assignment of responsibilities memo.
6. The RSPO will provide a copy of the approved assignment of responsibilities memo to the PI/PD and the SPFA.
7. The SPFA will file the approved assignment of responsibilities memo in the sponsored account project file.
8. The SPFA will assure expenditure requests are approved by the PI/PD or his/her designated representative as detailed on the assignment of responsibilities memo.

Attachment
- Assignment of Responsibilities Memo

Related Chapters
Chapter III.C. Reviewing Expenditures
Chapter III.G. Project Files
Date: __________

Memorandum

From: Principal Investigator/Program Director
To: Research and Sponsored Programs Office (RSPO)

Subj: ASSIGNATION OF RESPONSIBILITIES BY PRINCIPAL INVESTIGATOR/ PROGRAM DIRECTOR (PI/PD)

Ref: (a) SPPGM-14-07: Assignation of Responsibilities by Principal Investigators/ Program Directors

1. I am the Principal Investigator/Program Director for the account identified below:

Project Title: _______________________________________________________________
Job Order: ______________________ KFS Acct. #: ____________________________

2. I hereby authorize _______________________________ to initiate expenditures in support of the referenced project. My approval of the expenditures initiated under this delegation will be certified through the attestation process. The following conditions apply (check those that are appropriate):

¨ Labor Only
¨ Equipment Only
¨ Travel Only
¨ Contracts Only
¨ All (Labor/Equipment/Travel/Contracts)
¨ Limited to: _____________________ for any single expenditure
¨ Other (please specify): ___________________________________________________

3. The authorizations noted above will remain in effect until 1) expiration date of identified account, or 2) notification from PI/PD to rescind authorization. The assignment of responsibilities does not alleviate the PI/PD’s responsibility for stewardship of the account identified above.

________________________________________  ____________
Signature Date

------------------------------------------------------------------------------------------------------------

For RSPO Use Only:

Date Received: __________  Training completed PI/PD: __________ (date)
Date Approval Sent: ________  Training completed Assignee: __________ (date)
Approved: __________  Disapproved: __________

Copy to:
PI/PD
SPFA
Assignee
Chapter V. RELATED PROCESSES

D. Extension of Sponsored Activities

**Reference:**  (a) SPPGM-03-09: Proposal Revisions/Extensions/Excess Funds

**Summary:** When the PI/PD proposes a sponsored activity, a period of performance will be indicated in the proposal. This is the intended timeframe in which the PI/PD plans to complete the work he/she has detailed in the proposal. The deliverable is to be provided by the “end date” indicated in the period of performance.

There are circumstances where the period of performance of an approved and funded sponsored activity may require adjustment. Some examples include:

- Work cannot commence on the date indicated in the period of performance.
- Unforeseen events may occur during performance of the proposed activity that cause delays.
- Partial or incremental funding of a sponsored activity may cause delays in meeting the dates originally proposed.

If a delay is encountered, the PI/PD can request a no-cost extension to:

- The availability of funds required to perform the work – change in funds expiration date.
- The date the deliverable is due – change in Period of Performance (POP).
- Both of the above.

The start date might also be altered if there was a delay in starting the work.

**Policy:**

- The period of performance for a sponsored activity must reflect the timeframe in which the work is to be performed and the deliverable provided.
- It is the PI/PD’s responsibility to notify his/her sponsor if there is an adjustment to the period of performance.
- The PI/PD will coordinate adjustments to the period of performance with the RSPO.

**Process:**

- The PI/PD will work with his/her sponsor and the RSPO to adjust the period of performance and the availability of funds to support a sponsored activity.
- The SPFA should be cognizant of the fund expiration dates on accounts.
- The PI/PD may require the SPFA to provide a KFS report so he/she is aware of current account balance to use when he/she is negotiating a no-cost extension with his/her sponsor.
- If the sponsor grants an extension and appropriate documentation is provided to NPS, a revised expenditure control page will be issued by the RSPO. The expenditure control page will indicate the revised expiration date for the
availability of funds associated with the account, only if the funds expiration can be moved. KFS is not updated for changes in Period of Performance dates when the funds expiration does not change. The expenditure control page will be annotated to indicate that the “Sponsor Extended Funds Expiration date.”

- The RSPO will provide a copy of the revised expenditure control page to the SPFA.
- The SPFA will check KFS to ensure the changes have been reflected.

Related Chapters:
Chapter III.B. Maintaining Departmental Memorandum Accounting System (DMAS)
Chapter III.G. Project Files
Chapter V. RELATED PROCESSES

E. Calculating Labor

Summary: The term “calculating labor” refers to determining the cost of labor, for either faculty or staff. The proposed cost of labor to complete the deliverable is what is used in the proposal budget. The actual cost of labor is also the amount used when deducting the hours of effort spent on an approved sponsored project.

The PI/PD may ask the SPFA for assistance when putting together a proposal budget. Therefore, it is important for the SPFA to understand the calculation of labor cost process.

Another instance where it may be necessary for actual labor costs to be provided to the PI/PD is when someone is traveling on the PI/PD’s account. Labor associated with the days of travel must be funded from the same account, unless a justification is provided as prescribed in NPS Instruction 4650.4J. The PI/PD may need to be reminded of the requirement, particularly if the traveler is not the PI/PD.

Process:

1. The Financial Management Directorate will provide the current “acceleration rate” per a Financial Management Directorate policy memo. These policy memos are on the RSPO website.
2. The current salary for an NPS employee is available through MAS.
3. To calculate the actual cost of labor you will need to know:
   • The employee’s hourly wage.
   • The number of days to be calculated for labor costs.
4. The actual cost of labor is the salary cost + acceleration.
5. The formula for determining the salary cost is the hourly wage x 8 hours in a day x the number of days.
6. This sum is multiplied by the acceleration rate. The product is the “acceleration.”
7. You would then add the salary costs and the acceleration to determine the actual cost of labor.

Notes:

1. Academic Time:
   • Year = 260 days
   • Month = 22 days
   • Quarter = 65 days (average)
   • Intersessional = 44 days
2. Indirect costs are not part of labor costs. Burden on salary (or acceleration) is different from indirect costs.; however, many individuals will lump these two items together. Therefore, it is important to know the difference.
3. Contractual labor is not addressed in this section. Contractual labor refers to
individuals that are not employees of NPS. The SPFA will not be involved in contractual labor cost calculations.

Related Sections:
Chapter II.A. Proposal Requirements
Chapter III.C. Reviewing Expenditures
Chapter V. RELATED PROCESSES

F. Substitution of Personnel

References:  (a) SPPGM-03-11: Substitution of Proposed Civilian Faculty with Military Faculty during Execution of Project

Summary: The term “substitution of personnel” refers to the use of personnel during performance of a sponsored program who are other than the personnel listed in a proposal. This includes the substitution of military faculty for the civilian faculty that was originally proposed during the performance of a sponsored program. In the latter case, civilian faculty labor would have been budgeted in the proposal. The civilian faculty labor may have been directly attributed to an individual or it may have been a single line item on the proposal budget. This is often the case on large projects. The PI/PD and Co-PI/PDs are identified, but other faculty required to work on the project may not be identified at the time that the proposal is submitted.

If the case arises where a military faculty member does substitute for a civilian faculty member in the performance of sponsored work and, in doing so is pulled from a class he/she was scheduled to teach, the labor funding meant for the civilian faculty member may be used to pay for an instructor to teach the class the military faculty member was originally assigned to teach. When this situation occurs, it must be documented and kept with the project file.

The PI/PD is responsible for preparing a memorandum via his/her Department Chair/School Dean to the Dean of Research (sponsored research and service) or Vice Provost for Academic Affairs (sponsored education and professional development). This memorandum will include:

- Title of sponsored project and JON
- Name of the military faculty member who will work on project
- Course title/number that the military faculty member was scheduled to teach
- Dates that the course is scheduled to be taught
- Name of the civilian faculty member that will teach the course
- Number of hours to be charged to the sponsored project.

The Dean of Research/Vice Provost for Academic Affairs will review the memo, approve or disapprove it, and return the memo to the Department/School. A copy will be provided to the SPFA and the RSPO.

Process:

1. The SPFA will file the “Substitution of Personnel” memo in the appropriate project file.
2. The SPFA will review labor charges to the sponsored project account to ensure that the “substitute” faculty member is charged as indicated in the approved memorandum. Note: Labor for active duty military members who teach and/or lecture is not recorded in MAS.

3. When recording the labor for the “substitute” in MAS, the SPFA will note that the individual is a substitute in the “comments” field on the labor worksheet in the MAS database.

4. The SPFA will notify the PI/PD and associate timekeeper if labor charges for the substitute are different than those approved.

5. If an error arises in the labor charges, the SPFA will follow-up to ensure that the corrections are completed.

Related Sections:
Chapter III.B. Maintaining Departmental Memorandum Accounting System (DMAS)
Chapter III.D. Reconciling Accounts
Chapter III.G. Project Files
Glossary
**Glossary**

**Acceleration Rate** - This is the term used for the percentage determined to pay for benefits and leave.

**Actual Cost of Labor** - The actual cost of labor is the salary of the employee plus the costs associated with benefits (insurance, retirement, disability, etc.), leave (annual leave, sick leave, holidays, military leave, etc.), and holidays. The actual cost of labor can also be referred to as the “burdened salary.” In other words, the salary has the additional burden of costs for benefits and leave.

**Administrative Officer** - The graduate schools (GSEAS, GSOIS, GSBPP, SIGS) may have an Administrative Officer providing overall administrative oversight to their respective schools.

**Allowable and Allocable** - These terms refer to whether expenditures are allowable under DoD policy governing the expenditure of funds and whether those costs can be appropriately allocated to the sponsored project identified.

**Alternate Source of Funding** - A source of funding (account) other than the one originally identified to pay for the transaction.

**Assignation of Responsibilities** - This term is used when the responsibilities of an individual, in this case the PI/PD, are assigned or delegated to another individual.

**Assignee** - An individual who the PI/PD delegates administrative responsibilities to, such as initiating and approving expenditures. The PI/PD cannot delegate his/her responsibility for the attestation process or changes in the scope and/or the deliverable of the sponsored program/project. The assignee cannot be department/school/institute staff, the Chair/Director/Dean of the PI/PD, the SPFA, or a contractor.

**Assignment of Responsibilities Memo** - A document signed by the PI/PD detailing the specific responsibilities delegated to another identified individual.

**Attest/Attestation** - Attestation means to certify. The act of acknowledging expenditures charged to sponsor funded reimbursable accounts are proper. Attestation in KFS is the PI’s statement that all faculty and staff labor charged to the sponsor funded reimbursable account is appropriate in relation to the work performed; that all other costs charged to the project/program are appropriate and in support of the project/program; that expenditures determined as erroneously charged to account have been, or are in process of being corrected by appropriate authorities.

**Authorization** - An authorization is the funding limit associated with an account.
**Award** - Award is the term used for the funding approval of a proposal submitted for external funding by an NPS PI/PD.

**Centers** – The Naval Postgraduate School has six “coded” education and research centers (and a multitude of centers that are co-located within departments). These centers consist of:

- Center for Executive Education (CEE)
- Center for Interdisciplinary Remotely-Piloted Aircraft Studies (CIRPAS)
- Center for Decision, Risk, Controls and Signal Intelligence (DRCSI)
- Consortium for Robotics and Unmanned Systems Education and Research (CRUSER)
- Energy Academic Group (EAG)
- Field Experimental Program

**Co-Director (Co-D)** - The PD is the faculty member leading the Sponsored Education effort. Other faculty members assuming lesser roles but still integrally involved in the education effort are referred to as Co-Ds.

**Co-Investigator (Co-I)** - The PI is the faculty member leading the Sponsored Research effort. Other faculty members assuming lesser roles but still integrally involved in the investigation are referred to as Co-Is.

**Compliance** - Compliance is the act of complying with directives/policies/ processes established for the administration and management of sponsored programs.

**Comptroller** - The Comptroller is the chief financial advisor to the President of NPS. The Comptroller has overall responsibility for budget execution, financial management, managerial accounting program analysis, and performance measurement. The Comptroller shall ensure that the requirements of DoD Directive 7000.14R are met.

**Contract** - The procurement transaction for obtaining services.

**Contract-Assistance Agreements** – These are for Grants and Cooperative Agreements.

**Contract-IPA** - The budget category for reserving funding for the payment of Intergovernmental Personnel Act (IPA) Agreements. An Intergovernmental Personnel Act (IPA) Agreement is a vehicle that allows for the assignment of state, local government, and tribal personnel to a federal agency.

**Contract-Other** - These types of contracts can include, but not be limited to professional opinions, expert advice, consultation, equipment, etc.

**Contract-Services** - The budget category for contracted services. A ‘service’ is an activity performed by a contracted vendor that produces a deliverable.

**Contract-Transfer to Other Agency** - This category includes funding set aside for MIPRs (Military Interdepartmental Purchase Requests) or NAVCOMPT Form 2275, 2276, or 2276As. A MIPR, DD Form 448, is the document used to transfer funding to
another DoD activity. NAVCOMP Forms 2275, 2276 or 2276A are documents for an Order for Work, Services or a combination of both and are used to transfer funding to another Navy activity.

**Contract-Tuition/Fellowships/NRC** - The budget category for contracted post-doctoral associates. A post-doctoral associate (post-doc) is a recent Ph.D. graduate typically performing research in a dedicated area.

**Contractual Labor** - A term referring to the labor effort of personnel under contract to provide a deliverable in support of a sponsored project.

**Cost Overrun** - A cost overrun is when the actual cost for a transaction exceeds the estimated cost. A cost overrun can overextend an account in some cases.

**Cost Transfer** - The process by which costs for a transaction are moved from one source of funding to another.

**Defense Travel System (DTS)** - DTS is a fully integrated, automated, end-to-end travel management system that enables NPS travelers to create authorizations (TDY travel orders), prepare reservations, receive approvals, generate travel vouchers, and received a split reimbursement between their bank accounts and the Government Travel Charge Card (GTCC) vendor.

**Delegate** – See Assignee

**Deliverable** - The deliverable is the product to be provided to the sponsoring activity. The deliverable can take many forms (e.g., technical report, software, on-line course, etc.)

**Direct Cost** - A direct cost is one that directly benefits and/or leads to the successful delivery of work outlined in a sponsored project. A direct cost is an expenditure processed against a sponsored project account. A direct cost falls within the primary budget categories on the Expenditure Control Page (labor, travel, equipment/supplies, and contracts).

**Director, Research and Sponsored Programs Office (RSPO)** - The Director is the head of the RSPO.

**End Date** - The intended date when the PI/PD will complete the work and provide the deliverable to the sponsoring activity.

**Equipment** - Category of budgeted expense in support of a sponsored project that includes single line items or systems.
**Expenditure** - An expenditure is a transaction bearing a cost that is processed against a sponsored project account. Expenditures fall within the primary budget categories on the Expenditure Control Page (labor, travel, equipment/supplies, and contracts).

**Expenditure Control Page** - This document provides information on an award and is signed/issued by the RSPO, on behalf of the Dean of Research or Vice Provost for Academic Affairs, as appropriate. The Expenditure Control Page provides the PI/PD with the authority to spend funds for an approved/funded proposal. It also provides the approved budget for a sponsored project.

**Expired Account** - An account that is no longer active. The expiration date for an account is dictated by the: 1) appropriation on the funding document; 2) the period of performance for the project if the appropriation allows, or 3) a combination of both.

**Extension** - The term used when the PI/PD requires an adjustment to the availability of funds supporting the sponsored activity or an adjustment to the date the deliverable is due.

**Faculty Labor** - Faculty labor is the term used for those employees hired under a faculty appointment. This term is used for NPS employees. Primary faculty contributors to the sponsored project are normally listed by name on the proposal budget.

**Fund Administration and Standardized Document Automation (FASTDATA)** - Navy’s Official software program for recording and reporting all non-labor transactions and batch labor expenditures.

**Fund Cite** - Fund cites are issued by a command when paying for the travel of a DoD employee from another command. The fund cites can be incoming to a command or outgoing from a command.

**Graduate School of Business and Public Policy (GSBPP)** - One of the four graduate schools. GSBPP consists of the following group and institute:
- Global Policy Academic Group
- Defense Resources Management Institute (DRMI)

**Graduate School of Engineering and Applied Sciences (GSEAS)** - One of the four graduate schools. GSEAS consists of the following departments and groups:
- Department of Electrical and Computer Engineering (ECE)
- Department of Applied Mathematics (MA)
- Department of Mechanical and Aerospace Engineering (MAE)
- Department of Meteorology (MR)
- Department of Oceanography (OC)
- Department of Physics (PH)
- Department of Systems Engineering (SE)
- Space Systems Academic Group (SP)
- Undersea Warfare Academic Group (UWAG)
Graduate School of Operational and Information Sciences (GSOIS) - One of the four graduate schools. GSOIS consists of the following departments and groups:

- Department of Computer Science (CS)
- Department of Defense Analysis (DA)
- Department of Information Science (IS)
- Department of Operations Research (OR)
- Cyber Academic Group (CAG)

Indirect Cost - Indirect costs are for those activities (costs) which provide general support to sponsored programs, but are not easily segregated or identifiable as a direct cost.

Indirect Cost Account - The accounts that accumulate the indirect costs recovered. Labor support identified as indirect, i.e., the SPFA, is charged to the Indirect Cost account.

Indirect Cost Recovery - The process by which indirect costs are charged to a sponsored program account.

Indirect Support - Labor that indirectly contributes to the sponsored project, i.e., the SPFA and Purchasing Agent are indirect support.

Institute - The Naval Postgraduate School has two education and research institutes.

- Cebrowski Institute
- Modeling, Virtual Environments, Simulation (MOVES) Institute

Institutional Review Board (IRB) - The IRB reviews those proposals that involve the use of human subjects.

Intersessional Period - This refers to the time the tenured or tenured track faculty is “between” sessions or quarters. A tenure or tenured track faculty appointment is 9 or 10-months (except administrators).

Invitational Travel Authorization (ITA) - A document issued to a non-DOD employee or International student. The traveler is authorized to travel using an NPS line of accounting.

Job Order Number - The unique account identifier for a sponsored project account.

Kuali Financial System (KFS) - KFS was designed by a group of educational institutions specifically for universities and colleges. The system allows NPS to set up different workflows and business rules. As a web-based system, it allows all authorized users easy, online access, regardless of their location. The user works in customized electronic forms to enter different types of financial transactions. The system also stores the transaction data online. Departments require up-to-date account balances to facilitate sound decision making. To meet this requirement, all KFS financial transactions create pending general ledger entries, and these entries are reflected in the system’s online balance inquiry screens.
**Labor** - Labor is the expended effort by identified personnel towards the completion of a sponsored project.

**Labor Projection/Forecasting** – This is the process of costing and recording labor that will be expended in the future.

**Level of Effort** - The amount of total labor costs necessary to perform the identified tasks in a project.

**Memorandum Accounting System (MAS)** - MAS is an Access database developed and maintained by ITACS Enterprise Information Systems and overseen by the Director of Financial Systems. It was designed by the administrative support personnel in the academic departments based on their needs for tracking and monitoring expenditures on a sponsored project.

**NAVCOMPT FORM 2275, 2276 or 2276A** - Request Forms for Contractual Procurement.

**No-Cost Extension** - An extension requested of the sponsoring activity that does not bear an additional cost. It is only an extension on the use of the funds available and the date the deliverable will be provided.

**Notification of Funding Memorandum** – This memorandum is issued by the RSPO and it provides general information about award and policy.

**Over expending an Account** - An account is over expended when costs of transactions charged to an account are greater than the authorization for the account. The more common term refers to the account as being “in the red.”

**Pay Period** - The period of time for which labor is recorded and charged.

**Period of Performance (POP)** - The timeframe the PI/PD proposes to complete the statement of work and provide the deliverable detailed in his/her proposal.

**Principal Director (PD)** - The PD initiates the proposal to conduct the sponsored education effort and is responsible for the conduct of that effort if funded. The term Program Director can also be used in the Sponsored Research Program area. This refers to a faculty member that oversees numerous Sponsored Research projects being performed by a number of faculty members serving as PIs for their particular portion of the overall project.

**Principal Investigator (PI)** - The PI is the faculty member leading the Sponsored Research effort. The PI initiates a proposal to conduct Sponsored Research and is responsible for the conduct of that research if the proposal is funded.

**Procurement** - The acquisition of an item or service.
**Project File** - The Project File is actually an account file as a single project may have numerous accounts funding the effort.

**Projecting Expenditures** - Projecting expenditures is taking into account future expenditures. This allows the PI/PD to accurately forecast resources for a sponsored project.

**Proposal** - The proposal is the document prepared by the PI/PD describing the work to be accomplished and the deliverable to be provided.

**Proposal Budget** - The proposal budget is a detailed breakdown of the cost estimates for completing the proposed work.

**Proposal Routing Form (PRF)** - A PRF is a required component of a proposal. It provides a summation of key elements of the proposal (title of project, sponsor, and estimated total costs). It collects information on sponsored programs relevant to DoD goals and objectives, ensures organizational assets are available for the conduct of sponsored programs. It is also the means for ensuring that appropriate internal review/approval has been accomplished.

**Purchase Request Form** - An NPS form to request the procurement of equipment, supplies, and certain services. This form is used in many Departments/Schools/Institutes as internal documentation for the initiation process.

**Purchasing Agent or Credit Card Holder** - The staff member responsible for completing procurement transactions.

**Quarter** - A quarter refers to the academic terms. At NPS, the quarters are labeled Fall, Winter, Spring and Summer. A quarter consists of an average of 65 workdays.

**Reconciliation** - Reconciliation is the process by which the SPFA will compare the records maintained in MAS with the information reported in KFS and FASTDATA, identify errors, and follow-up to assure corrections have been completed.

**Requisition Number** - The requisition number is taken from the serial number range of a sponsored project account and assigned to a procurement transaction. The number is unique for that procurement transaction.

**Research and Sponsored Programs Office (RSPO)** - The RSPO reports to the Dean of Research and is a centralized administrative unit performing pre-award sponsored program functions, post-award funding drawdowns and other research-related functions.

**Restricted Account** - A restricted account is one that is set-up to support a specific purpose. Most reimbursable accounts are considered restricted.
**SATOTravel (SATO)** - The contracted vendor responsible for providing airline tickets and other travel related services.

**School** - The Naval Postgraduate School is organized into four graduate schools. A School may be home to departments, centers, and institutes.

**School of International Graduate Studies (SIGS)** – One of the four graduate schools. SIGS consists of the following departments and centers:
- Center for Military Relations (CCMR)
- Department of National Security Affairs (NSA)
- International Defense & Acquisition Resources Management (IDARM)
- International Programs Office

**Serial Numbers** - A range of numbers assigned to a sponsored project account that are utilized to serialize transactions numerically.

**Services** - Category of budgeted expense in support of a sponsored project. Services referred to in this section include equipment repair, cleaning of NPS owned clothing, etc. These services differ from the contractual support type services administered through Contracts and Logistics.

**Shared Services Travel Office (SSTO)** - A separate branch of the Financial Management Directorate dedicated to processing Travel Authorizations, Travel Vouchers, and other Travel related transactions. The SSTO represents a source of knowledge for travel regulations and campus travel processes.

**Split Accounting** - The term used to indicate travel costs for one trip will be charged to two or more funding sources. Split accounting is only authorized if the purpose of travel supports multiple efforts. In these cases the travel must be charged to the accounts that support the purpose of the travel.

**Sponsored Education** - This is specific instructional activity established by a reimbursable arrangement, which is provided for academic credit. It can include degree or certificate programs, or a single course offering. It also includes the activities to prepare for offerings such as a course or curriculum development, and chair professorships, which are instructional in nature.

**Sponsored Professional Development** - Specific instructional or training activity that is established by reimbursable arrangement and provided as a no-credit offering to include any preparatory activities such as course development.

**Sponsored Program** - Those programs funded by a source external to NPS.

**Sponsored Program Financial Analyst (SPFA)** - An individual providing financial support to the PI/PD. Each individual SPFA will support a pre-determined group of
PI(s)/PD(s). The SPFA position(s) are within the administrative structure of the organizations where sponsored programs reside.

**Sponsored Programs Financial Analyst Oversight Board** - The Oversight Board is responsible to the Dean of Research and the Comptroller for providing guidance to all employees who fill a SPFA position at NPS.

**Sponsored Research** - The Sponsored Research Program is the most common sponsored program. Research is conducted in every School, Academic Department/Group and Institute at NPS. Sponsored Research is conducted by NPS faculty, students, and staff. An NPS Principal Investigator (PI)/Program Director (PD) submits a proposal to an identified sponsor detailing work that he/she will accomplish.

**Other Sponsored Activity** - NPS currently provides some other sponsored activities. This is a rather limited program, as sponsored work must directly support the NPS mission. A sponsored “activity” becomes an “Other Sponsored Activity” versus Sponsored Research or Education when it bears little relationship to NPS’ core education program.

**Staff Labor** - Staff labor is the term used for those employees hired under the General Schedule or Wage Grade System. Staff labor normally refers to technical personnel, i.e., engineers, oceanographers, lab technicians, etc. providing a direct contribution to the sponsored project. Staff members are not individually identified.

**Standard Accounting and Reporting System (STARS)** - The Standard Accounting and Reporting System (STARS) is a general fund accounting, commercial entitlement and reporting system. The Defense Finance and Accounting Service (DFAS) approved STARS as the migratory system on which to consolidate all Department of the Navy (DoN) and Defense Information Systems Agency general fund accounting, commercial entitlement and reporting operations.

**Standard Labor Data Collection and Distribution Application (SLDCADA)** - SLDCADA is a Naval Sea Systems Command (NAVSEA) developed Time and Attendance system that has been chosen as the Department of the Navy standard. SLDCADA is a web-based timekeeping system that allows for centralized or distributed input, and provides the capability to track civilian, military and contractor hours against job order numbers and hour code types for financial and pay purposes.

**Start Date** - The intended date when the PI/PD will commence work on an approved and funded sponsored activity.

**Statement of Work (SOW)** - The statement of work is the narrative portion of the proposal that outlines the work to be accomplished and the deliverable to be provided.

**Supplies/Consumables** - Category of budgeted expense in support of a sponsored project. These items are normally less expensive or more readily consumed.
**Support Personnel** - Personnel required to assist the PI/PD in the performance of the statement of work of a sponsored activity.

**Suspense File** - A file or system used to track pending actions.

**Tango Number** - The tango number is the last seven characters of the Travel Authorization number. For travel orders, the tango number begins with the letters “TO” i.e., TORAB12. If the Tango number begins with the “IT” then the document is an ITA.

**Travel Authorization (TA)** - Also sometimes indicated as a TO for Travel Order.

**Travel Request Form** - The written request detailing when, where, and what the traveler needs in order to complete a planned trip. The traveler sends the request to a Traveler Arranger, unless the traveler is completing his own travel action.

**Transaction** - An action with an associated cost initiated to support a sponsored project. Transactions can be for labor (faculty and staff labor costs) and non-labor (travel, equipment, supplies, or contracts).

**Unrestricted Account** - An unrestricted account is one that is set up for general support, i.e., the Department OPTAR account is unrestricted. It can be utilized for the general support of the department.

**Work year** - The number of days worked in one year. One work year is normally 260 days; 2087 hours is used when figuring labor cost per hour based on a yearly salary.