

**PROCEDURE NUMBER:** FINA 3.00 Procedure

**SECTION:** Administration and Finance

**SUBJECT:** Sponsored Awards – Award Setup

**DATE:** September 11, 2025

**REVISION:**

**Procedure for:** All Campuses

**Authorized by:** Mandy Kibler

**Issued by:** Administration and Finance – Controller’s Office

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### **Procedure Statement**

The University Administration and Finance Division, Controller’s Office, will ensure compliance with University Policy FINA 3.00. This procedure is applicable to campuses, units, departments, centers, Principal Investigators (PIs), and administrators at the University who are involved with the initiation, administration, and conduct of sponsored awards. The purpose of this procedure is to supplement the associated policy by providing additional detail and guidance on award setup in the PeopleSoft Finance system for multi-year projects.

By following these procedures, acceptable invoicing terms will be adhered to and will ensure that multi-year awards, program income, and third-party cash match are set up in the financial system accurately, with the proper tracking mechanisms in place for budgets, carryforward funds, and reporting, while adhering to sponsor requirements and institutional policies.

The factors detailed below must be considered and adhered to prior to the execution of a sponsored award. If award setup or the respective terms and conditions are unclear based on the contract language, clarification with the sponsor must occur before execution. Further, if a sponsor requires a risk assessment of the University prior to execution of the award, those requests should be promptly forwarded to Controller’s Office (at [controller@sc.edu](mailto:controller@sc.edu)).

### **Invoicing Terms**

The terms and conditions of all sponsored awards must include acceptable invoicing terms, based on Grants and Funds Management’s (GFM) standard invoicing processing, which includes the following:

- monthly invoicing due no sooner than the 15<sup>th</sup> of the month,

- an allotted minimum of 30 days processing time for final invoicing.
- acceptance of University's standard invoice template (see **Appendix C – Standard GFM Invoice and Backup**)
  - *If backup is required by the sponsor, the University will provide the standard General Ledger Activity Report for the project (see **Appendix C**).*

When sponsors will not accept standard invoicing terms, any exceptions or non-standard terms will be documented within the Acknowledgement Form included in the award documentation. By signing this form, departments attest to the acceptance of any financial risk associated with terms or noncompliance.

In addition, GFM cannot invoice if:

- the sponsored award is not fully executed (e.g., final agreement is not signed),
- the project is overspent (e.g., cumulative expenditures exceed the budget),
- the project is on risk,
- expenditures are not posted to the general ledger or represent estimates,
- the total expenses for the billing period are zero or a net credit. (*Note: GFM can confirm for sponsors that no expenses posted for a given period, as applicable, but cannot generate zero or negative-dollar invoices*).

## **Multi-Year Awards**

### **A. New Project Number for Each Budget Year**

For projects that span multiple years, a new project number must be created for each budget year under specific circumstances to ensure proper tracking of funds, reporting, and compliance with fiscal regulations. The following conditions dictate when a new project number should be created:

- i. **Restricted Carryforward:** If the award has a restricted carryforward (e.g., unspent funds from a previous year that must be used within certain guidelines or timeframes), a new project number should be created for each budget year to accurately track carryforward funds and ensure that restrictions are applied properly.
- ii. **Milestone-Based or Phased Awards:** For large, multi-phase centers or projects (e.g., INBRE), where each phase has **its own budget year** and scope of work, a new project number must be set up for each subsequent phase or year. This ensures the funds and reporting are appropriately segmented.
- iii. **State Agency Requirements:** For state-funded projects that involve change orders or modifications (e.g., to the budget, award terms, or deliverables each year), a new project number must be created when state agency requirements, guidance, or the terms and conditions require independent tracking (e.g., the project budget is not treated cumulatively).

## **B. Setup of Subaccounts**

Subaccounts are used to facilitate tracking of expenses, cost-sharing, and financial commitments across distinct activities or projects funded under a single grant or award. Their use enhances financial transparency, accountability, and administrative efficiency.

### **i. Alignment with Parent Project**

Subaccounts must be linked to the parent contract or award number to ensure organizational consistency and accurate financial reporting. The project period of the subaccount must match that of the parent account. The budget period may differ to reflect the specific timing of expenses related to the subaccount's scope of work; however, the end date of a subaccount should not exceed the end date of the parent account. Once a subaccount is created, the account cannot be collapsed back into the parent award unless the PI for the subaccount is no longer working on the project.

### **ii. Projects with PIs and Co-PIs in Different Departments of Colleges**

When a project involves a PI and Co-PI(s) from different departments or colleges, the PI may authorize each Co-PI to manage their respective portion of the budget through a subaccount. The PI retains overall responsibility for the project budget and has final authority over budget allocations. Advance account requests and post award actions for subaccounts must obtain the written approval of the primary award PI and should be routed to the primary award SAM Admin for review<sup>1</sup>.

### **iii. Milestone-Based or Phased Awards**

For large, multi-phase projects (e.g., INBRE, NIH P Grants, training grants), where **each phase or pilot** has a distinct budget and scope of work, a separate subaccount must be established for each phase or pilot. This structure ensures proper segmentation of funds and facilitates accurate reporting and administration.

### **iv. Supplemental Awards**

When a supplemental award is issued with a defined scope of work and budget, it must be set up as a subaccount under the original award to maintain financial clarity and compliance.

### **v. Participant Support Costs**

When a NOA includes participant support costs and recommends or requires these have a separate account (e.g., NSF), a subaccount should be created to separately track and monitor participant support costs.

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<sup>1</sup> The requesting department assumes the financial risk for the respective charges in the event a fully executed agreement is not achieved.

**vi. Special Circumstances Approved by SAM or GFM Director**

In exceptional cases, the SAM or GFM Director may determine that establishing a subaccount is the most effective approach for managing a sponsored project or mitigating audit risk. In such cases, a subaccount will be created based on their recommendation.

**C. New Grant or Contract Number**

A new project number must always be created when the funding agency issues a new grant or contract number. This step is critical for maintaining financial clarity and audit readiness as the new project number will correspond to a new grant award. Even if the project spans multiple years, each new grant/contract number signifies a distinct award with its own terms, funding, and reporting requirements.

**D. Grant/Project Type and Carryforward Considerations**

When deciding whether to create a new project number for a multi-year grant, consider the following:

**i. Unrestricted Carryforward or No Carryforward Restrictions**

- If the grant has unrestricted carryforward or if there are no specific carryforward restrictions, do not create a new project number each year. The same project number should be used for the entire duration of the grant, as long as there are no changes in funding terms, deliverables, or the need for separate reporting by year.
- Single Project Number: The project number will span the entire grant period, with subaccounts or budget periods used to track annual budgets and expenditures.

**ii. New Project Number Not Required for Annual Reporting**

- The mere presence of an annual report requirement, whether it's for progress or financial reporting, should not automatically trigger the need for a new project number, provided there are no restrictions on carryforward or changes in the project's scope, budget, or terms.
- **Annual Reporting:** Annual reports should still be submitted according to the sponsor's guidelines, but the report requirement does not dictate the creation of a new project number.

**iii. Carryforward Account Codes**

These account codes are **budget-only** codes and should not be used for expenditures.

- 50003 – Parent-Subaccount Transfer: Should be used for budget transfers between parent and subaccounts (or vice versa).

Example: Project 12340000 is a parent project for subaccount 15670000. At the end of the project period, \$5,000 remains on subaccount 15670000. Account code 50003 is used to move \$5,000 **from** the subaccount to the parent.

Project	Account	Amount
15670000	50003	(\$5,000)
12340000	52070*	\$5,000

*\*The department must provide the appropriate expenditure account code to the SAM Office.*

- **50004 – Carryforward:** When a new project for a multi-year grant is created due to carryforward restrictions, this account should be used for the budget transfers between the “old” and new project to capture the sponsor-approved carryforward.

Example: Projects 12340000 and 1567000 are the Year 1 and Year 2 funding, respectively, on a five-year award. The sponsor approved a carryforward of \$25,000 from Year 1 to Year 2. Account code 50004 is used to reduce the budget on the Year 1 project by \$25,000.

Project	Account	Amount
12340000	50004	(\$25,000)
15670000	52070*	\$25,000

*\*The department must provide the appropriate expenditure account code to the SAM Office.*

## **Program Income**

The manner in which program income is set up depends on the respective method specified by the sponsor in the terms and conditions of the sponsored award – Deduction, Addition, or Cost Sharing. See **FINA 3.00 Procedure – Program Income** for detail.

## **Third-Party Cash Match**

Third-party cash matching occurs when an external entity, neither the primary sponsor nor the award recipient, provides funds to fulfill the cost share requirements of a sponsored award. These contributions must be established and managed as a separate sponsored award, with the award title including “third-party cash match” and the parent project number (e.g., Third-Party Cash Match – 12345678).

When third-party cash match is provided specifically to meet the cost share obligation, a distinct project number must be created in PeopleSoft Finance to ensure proper tracking, management, and invoicing.

The SAM Office will make every effort to ensure third-party cash match aligns with the University’s federally negotiated indirect cost rate. Otherwise, the department **must** ensure in-ratio spending occurs monthly between direct and cost share expenditures to enable timely and accurate invoicing.

## **Roles and Responsibilities**

The following roles and responsibilities should be adhered to:

	<b>SAM Office</b>	<b>GFM</b>	<b>PI/Department</b>
<b>Award Negotiation</b>	<ul style="list-style-type: none"> <li>• Coordinate with the Controller's Office on any adjustments needed to standard processes or project tracking prior to award execution.</li> <li>• Coordinate with the sponsor regarding any needed clarification on terms and conditions and contract language prior to execution.</li> <li>• Ensure terms and conditions adhere to University policy and procedure prior to execution.</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinate with the SAM Office on any adjustments needed to standard processes or project tracking prior to award execution.</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborate with the SAM Office to ensure the budget categories included in the proposal align with the University's chart of accounts.</li> </ul>
<b>Award Setup</b>	<ul style="list-style-type: none"> <li>• Set up projects in USCeRA.</li> <li>• Identify whether a new project number is needed based on award terms and conditions and University policy and procedure.</li> </ul>	<ul style="list-style-type: none"> <li>• Set up projects in PeopleSoft Finance based on USCeRA data.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor project setup and promptly begin posting expenditures in the month they occur.</li> </ul>
<b>Award Monitoring</b>	<ul style="list-style-type: none"> <li>• Coordinate with the sponsor and departments regarding any requested rebudgets, project extensions, scope changes, PI changes, and other project modifications (including subaccount transfers).</li> </ul>	<ul style="list-style-type: none"> <li>• Assist departments with available tools to monitor project activity (e.g., Grant Dashboard).</li> </ul>	<ul style="list-style-type: none"> <li>• Review project expenditures monthly (at a minimum).</li> <li>• Monitor project activity to request any necessary rebudgets or project modifications (including subaccount transfers). Rebudgets should be requested within a month of the category going over budget.</li> </ul>
<b>Invoicing</b>	<ul style="list-style-type: none"> <li>• Ensure the terms and conditions adhere to acceptable invoicing standards.</li> <li>• Ensure any exceptions or non-standard terms are documented within the Acknowledgement Form.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish acceptable invoicing terms for the University.</li> <li>• Submit system-generated sponsor invoices based on posted expenditures and the terms and conditions of the executed agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• Post expenditures in the month they occur, in accordance with the terms and conditions of the executed agreement.</li> <li>• Confirm final project expenditures have posted to the financial system by the required due date.</li> </ul>
<b>Carryforward</b>	<ul style="list-style-type: none"> <li>• Evaluate carryforward type and any restrictions applicable to the award.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide the SAM Office with the expenses posted to the sponsored award to date.</li> </ul>	<ul style="list-style-type: none"> <li>• Request carryforward and risk account setup (if applicable) before spending occurs.</li> <li>• Post expenditures in the month they occur.</li> </ul>
<b>Other Communication</b>	<ul style="list-style-type: none"> <li>• Inform GFM of any updates or changes related to award setup, including modifications to carryforward, project phases, or reporting cycles.</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinate with the department regarding any invoicing or reporting questions.</li> </ul>	<ul style="list-style-type: none"> <li>• Notify the SAM Office of any correspondence from the sponsor related to NOA changes.</li> <li>• Notify GFM of any invoicing or reporting questions received from the sponsor.</li> </ul>