



Grants and Contracts Management Policy The American University of Beirut Mediterraneo

The American University of Beirut Mediterraneo (“AUB Mediterraneo”, or the “University”) receives grants and contracts from government, non- profit as well as industry and business sponsors in support of their research and the University's mission. Grants and contracts are particularly important in assisting the University to build and maintain capacity.

Purpose

The purpose of this policy is to provide the guidelines of the financial management of grants and contracts within the framework of the general University policy and procedures and specific sponsor requirements.

Responsibilities

Position/Office	Responsibilities
Principal Investigators	Write proposals for acquiring sponsored programs, conducts and administers awards/grants in compliance with applicable laws, sponsor and institutional policies and regulations governing the conduct of sponsored programs.
Office of Research	Maintains the grant or contract on the grants module of the University financial management system in terms of budget and period of availability of funds and monitors compliance with non-financial grant or contract’s requirements.
Office of the Comptroller	Approves expenditure of the funds received through grants and contracts according to the stipulated requirements and to the University disbursement, travel and other relevant policies and ensures timely reporting and overall financial compliance.

Procedures

Grants and Contracts

- Grants and Contracts funds are characterized by their monetary and period scarcity. Accordingly, most grant agreements present a budget, subdivided into budget lines that capture the allocable expenses grouped into direct cost categories such as personnel, travel, supplies, etc. and indirect costs and a clear timeframe when spending is allowed.
- Expenses on grants should be 1) allowable as per AUB Mediterraneo policy and the relevant grant schedule, 2) allocable in the sense that it is related to the implementation of the grant itself, and 3) reasonable, in the sense that the expense in its nature and cost is necessary for the grant implementation.
- All grant disbursement shall follow the applicable University policies and procedures unless stated otherwise and had been approved in the grant agreement.
- The indirect rate for each grant is stated in the grant agreement budget. All federally funded



grants follow the Negotiated Indirect Cost Rate, which is the approved rate between AUB Mediterraneo and the federal government.

- Some grantors may request that a portion of the grant budget be borne by the University. The costs spent on the implementation of the grant or contract that are not borne by the sponsor are considered the University's cost share.

Federal Grants and Contracts

- The University might receive US federal funding from different funding agencies such as the U.S. Agency for International Development, U.S. Department of Health and Human Services and others. Funds are received from the agencies either directly or in the form of sub-awards and subcontracts from pass-through entities.
- Entitlements to the resources are generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for eligible purposes. Substantially all US federal financial assistance is subject to financial and compliance audits. Any disallowances become liabilities to the University.
- Disbursements on federal funds should be in compliance with the Federal Uniform Guidance where costs are reasonable, allocable and allowable under these cost principles.
- The University has to ensure that all beneficiaries of federal funds (suppliers, consultants, sub-awardees etc.) are not suspended or debarred by any US federal department or agency from doing business with the US Federal Government by checking the beneficiaries' name on the Excluded Parties List System (EPLS).
- All travel funded by United States federal government funds should abide by the Fly America Act.

Definitions

Allocable cost: A cost is allocable to a particular award or other cost objective if the goods or services involved are chargeable or assignable to that award or cost objective in accordance with relative benefits received.

Allowable cost: A cost is allowable when it is included in the contracted product or service. Examples of common unallowable costs for federal awards according to the Federal Uniform Guidance are: Alcoholic Beverages, Donations and contributions, Entertainment costs, Fines and penalties, Goods or services for personal use, Losses on federal projects, Pre-agreement costs, Value.

Added Taxed (VAT): These types of cost are generally unallowable by nature unless they were specifically approved by the funding agency for the implementation of the program.

Contract: A legal document, which specifies a task (or tasks) to be performed in conformance with the requirements set forth by the contractor or awarding agency. The investigator or contracted party is required by law to fulfill the terms of the contract and is afforded no flexibility.

Direct Cost: A cost that is directly used in the implementation of the award and is itemized in the award budget. It includes defined cost categories such as personnel, fringe benefits, supplies, and travel, etc.



Grant: A funding mechanism in which the grantor plays no active role managing or directing the project, and the investigator and institution have considerable discretionary powers in the implementation of the project.

Indirect Cost: Also called Facilities and Administrative cost (F&A) or Overhead, an indirect cost is used to allocate charges that are shared across many programs and are expressed as a percentage of direct cost in the award budget. It can include general administrative staff, shared office space, utilities, shared equipment, organization's audit and legal services.

Principal Investigator: A principal investigator (PI) is the primary individual responsible for the preparation, conduct, and administration of a sponsored program in compliance with applicable laws and regulations and institutional policy governing the conduct of sponsored programs.

Reasonable cost: A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Sponsored Programs: Projects that are supported by non-University (external) funds that are awarded to the University and which were originated and conducted by faculty members or staff for the purpose of research, training, construction and/or service activities.