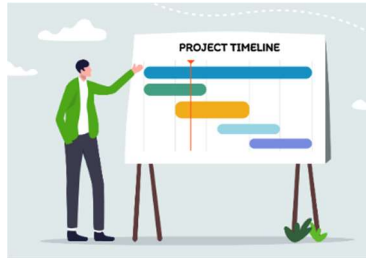


# Sponsored Projects Financial Management – FAQs

Welcome to the Research Financial Services LISTSERV series on “Sponsored Projects Financial Management” answering common questions. Sponsored project financial management requires the application of award terms and conditions along with Sponsor, Federal and Institutional policies and procedures. Note underlined sections are hyperlinks for further information.

(Previous FAQ editions [here](#))

## Period of Performance

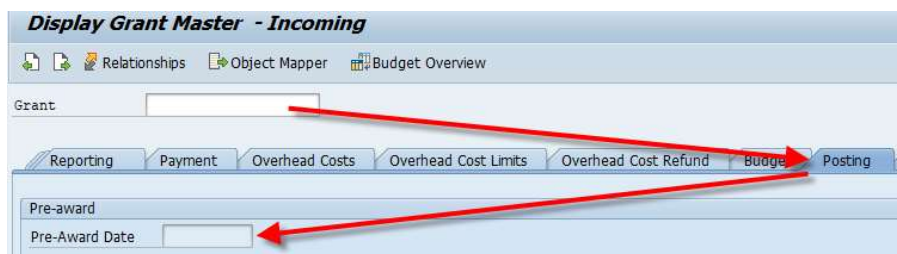


**What does period of performance mean?** The date range within which all project activities and expenses of can be incurred. The date range is typically the budget period (budget from and to dates) but can be smaller segments. Uniform Guidance and UK define budget periods as the time interval during which recipients are authorized to expend the funds including any funds carried forward.

**What does expend mean?** The act of using or spending the awarded funds. Expended items can include salary, purchases, paying for services, utilizing tangible items (inventory/equipment), use of resources, and much more.

**What does an incurred cost mean?** An expense acquired in exchange for a goods or service necessary for the project’s scope of work. Costs must follow [costing guidelines](#) to be allowable. Expenses outside the period of performance and without pre-award allowability are not an eligible cost.

**Can I order or purchase before the budget start date?** Costs may be incurred before the budget start ONLY if the [pre-award](#) date is determined and listed in GMGRANTD. OSPA receives requests and reviews the terms of the award to determine if pre-award is allowable. If so, OSPA will process a PADR setting the pre-award date. The date is visible on the PADR and in GMGRANTD Posting Tab.

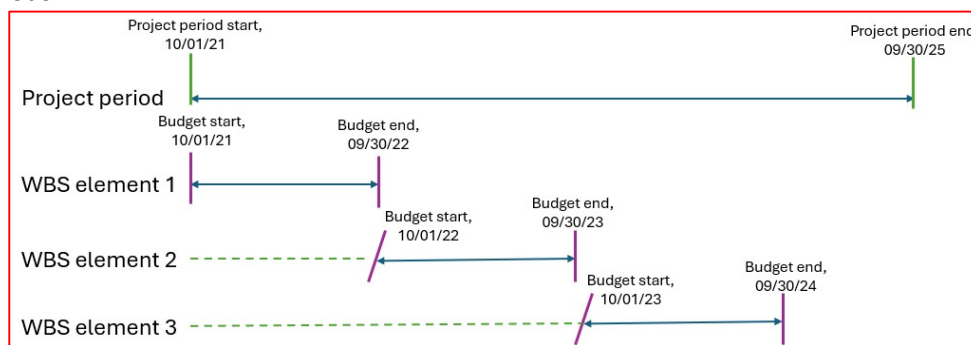


**What if the pre-award date is NOT set but the award allows pre-award spending?** Contact OSPA to confirm pre-award allowability and request the pre-award date establishment in GMGRANTD. Without the pre-award date, SAP error messages will populate and prevent assigning payroll cost distributions,

process cost transfers and post expenditures. Without the pre-award date in GMGRANT, expenses are deemed unallowable. Whether an award has pre-award or not, it does not negate award terms that require pre-approvals from the sponsor for specified expenses.

**Is invoice date or posting date the same as incurred date?** Often no, they are not the same date. The invoice date and incurred date could be the same if invoiced the same day the services are performed, or items received. The posting date is typically not the incurred date for the same reason; incurred date is used when determining allowability. **\*\*See incurred date FAQ with examples [here](#).**

**What if the award has incremental budget periods?** An incremental budget period is when an award has a specified budget period within the overall project period. This can be evident when an award has multiple WBS elements with back-to-back budget periods. Expenses must post to incremental budget period (and its unique WBS element) in which it incurred. Although the overall project continues after the WBS element's budget end date, expenses may not cross budget periods without sponsor approval. Usually in this situation unused budgets require sponsor prior-approval before spending in subsequent budget periods.



**Can travel be booked before the grants starts?** Travel, like hotel reservations, may be reserved provided a deposit or payment is not required. Any travel expenditure requiring payment must be made within the period of performance (the budget start and end dates). Although travel costs may be less expensive in advance, any expense incurred before the budget or pre-award start date is unallowable.

**What if travel occurs after the budget period?** Dates of travel and travel expenditures must follow Uniform Guidance, Institutional policy and sponsor award terms and conditions. We've established travel purchases must be made within period of performance. Dates of travel must also occur within period of performance unless approved by the sponsor. Any travel ending before or commencing after this period of performance requires prior approval from the sponsor to be allowable. **\*\*See incurred date FAQ with examples [here](#).**

**Do subawards (subrecipients) have the same period of performance as the award?** The answer is, not always. A subaward's period of performance may be less but not greater than the grant's budget period. Subaward agreements may not have a budget period that starts before or ends after the grant's budget period.

**Do Leases, subscriptions and service contracts have the same period of performance as the award?** If the agreed timeframe on a lease, subscription and service contract is outside the grant's budget period, only the portion of cost incurred during the grant's budget period is allowable. Any contractual obligation outside the budget period requires sponsor approval or be charged to a cost center. **\*\*See incurred date FAQ with examples [here](#).**

**How does the period of performance impact a project's program income?** Directly generated program income received by a supported activity or earned as the result of the award, during the project's period of performance, must also be used/tracked/managed like expenses unless negotiated and approved with the sponsor. Program income related expenditures also need to incur during the project's period of performance.

**What if publication costs are incurred after the award's budget period?** Only publication expenses with required acknowledgment posted to the applicable WBS element before the final invoice, financial report or request for reimbursement are submitted may be included. Any expenses acquired after this are unallowed to the applicable WBS.

**Some expenses are posting to the grant's cost share (fund). Since my department is funding these items and not the sponsor's funds, does the incurred date matter?** A project's cost share *expenses* must follow the same incurred date principles as described elsewhere in this document. \*Note the funding of cost share balances as per [BPM E-50-2](#) via the 74/75 GL JVs are not applicable to the period of performance.

**Additional Resources:**

- RFS: <https://www.uky.edu/ufs/research-financial-services>
- OSPA: <https://www.research.uky.edu/office-sponsored-projects-administration>
- CGS: <https://www.research.uky.edu/collaborative-grant-services>
- BPM: <https://www.uky.edu/ufs/business-procedures-manual>
- Sponsored Project Bits & Pieces Presentations: <http://www.uky.edu/ufs/sponsored-projects-bits-pieces-presentations>
- Uniform Guidance (UG): <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>