

FLORIDA INSTITUTE OF TECHNOLOGY

**ITEM 8**

**COST TRANSFERS**

FLORIDA INSTITUTE OF TECHNOLOGY  
POLICY ON  
COST TRANSFERS ON SPONSORED PROGRAMS

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**Background:**

In accepting a grant or contract from a governmental agency, private foundation, industry, or other sponsor, the Florida Institute of Technology is obliged to comply with a number of regulations set forth by that sponsor. Among those obligations is the requirement that expenditures related to sponsored projects are properly allocated and documented. Costs must be allocated to a sponsored award in proportion to the actual benefit received by the award and correctly charged at inception.

However, it is unreasonable to expect 100% accuracy for all transactions, and therefore when errors are discovered, the university is committed to correcting them promptly. Frequent, late, or poorly explained cost transfers can raise serious questions about the accuracy of the transfers, the university's accounting system, and the university's internal financial controls.

This policy addresses the conditions and procedures under which corrections or cost transfers on sponsored projects are allowed.

**Definitions:**

**Cost Transfer** A cost transfer is the reassignment of an expense to or from a sponsored project after the expense was initially charged elsewhere. Cost transfers include reassignments of salary, wages and other direct costs.

**Policy:**

The Florida Institute of Technology is committed to ensuring that all cost transfers are legitimate and are conducted in accordance with sponsor terms and conditions, government regulations and university policy. The appropriate sponsored account shall be charged when an expense is initiated in the university's accounting system. Additionally, costs directly charged to federally sponsored awards shall comply with the cost principles outlined in the Office of Management and Budget (OMB) Circular A-21 which indicates costs must be:

- allowable (the cost is allowed by federal regulations, sponsor terms and conditions, including program specific requirements and university policy);
- reasonable (reflects whether or not the individuals concerned acted with due prudence in the circumstances);
- allocable (the cost has a direct benefit to the account being charged); and
- treated consistently (like costs in similar instances are treated consistently throughout the university).

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Goods and services shall be charged or allocated among awards at the time of the original purchase to avoid unnecessary cost transfers. The Principal Investigator (PI) shall make personnel and corresponding payroll distribution determinations before any individual devotes effort to the project.

At no time shall other sponsored awards be used as holding accounts for expenses that will subsequently be transferred elsewhere, including competing or non-competing continuations of the same project for which the notice of award has not yet been received.

PI's are responsible for ensuring that transfers of costs to sponsored projects are made promptly. The PI shall review monthly sponsored project expenses to identify legitimate errors and submit required changes within 30 days of discovery to the Office of Sponsored Programs (OSP).

Cost transfers shall be supported by documentation that contains a full explanation of how the error occurred and a correlation of the charge to the project to which the transfer is being made.

Transfers of costs to any sponsored project account are allowable only if there is direct benefit to the project account being charged. An overdraft or any direct cost item incurred in the conduct of one sponsored project shall not be transferred to another sponsored project account merely for the sake of resolving (1) an overrun, (2) an unexpended balance, (3) a disallowance. Cost transfers shall not be used as a means of managing awards.

Cost transfers must be prepared and submitted within 90 days from the university's month end close in which the transaction appears on the award. Cost transfers made after this period require additional scrutiny and will only be permitted under extenuating circumstances and only with the approval of the Assistant Vice Provost for Research.

FLORIDA INSTITUTE OF TECHNOLOGY

**ITEM 9**

**EXPEDITURE APPROVAL**

# FLORIDA INSTITUTE OF TECHNOLOGY

## Expenditure Approval Limits

### Purchase Requisitions:

Managers	\$4,999.99
Directors, Asst. Vice Provost, VP	\$9,999.99
Assoc. Vice President, Provost, CFO	\$24,999.99
President, Exec Asst. to President	\$999,999,999.99

### Purchase Orders:

Purchasing Staff	\$19,999.99
Purchasing Manager	\$24,999.99
Vice President, Sr. Vice President	\$999,999,999.99

POLICY SOURCE: Purchasing &amp; Material Management - Purchasing

POLICY NO.: 1530

TITLE: Small Purchase Orders

SUPERCEDES: 0

DATE: May 01, 2006

SUBMITTED BY: Levi Lewis

APPROVED BY: Levi Lewis

## I. PURPOSE

To identify the proper use of Small Purchase Orders.

## II. SCOPE

This procedure applies to departments which have been given authority to use Small Purchase Orders.

## III. BACKGROUND

Small Purchase Orders provide additional flexibility to authorized University departments/offices purchasing items and travel up to \$500.00. There are transactions that result in the expenditure of funds for goods and services in which Purchasing's involvement will have no effect on either cost or price avoidance, or exposure to loss. These can be called "no-value-added" transactions.

## IV. PROCEDURE

### A. Use and restrictions.

1. Small Purchase Orders are pre-numbered and pre-printed with an authorized signature from the Purchasing Department. Co-signature is required by the authorized individual for each account.
2. Small Purchase Orders can be obtained from the Purchasing Department by University departments in packs of ten (10) by submitting a memo with appropriate signatures from the requesting department. First-time users must have a representative pick up forms and receive brief instructions on their use. Purchasing will issue additional Small Purchase Order forms when eight (8) have been properly used and returned to Purchasing.
3. Purchases on Small Purchase Order Forms cannot exceed \$500.00 including individual airline tickets.
4. The dollar limit printed on the Small Purchase Order form may be exceeded only by the cost of freight, postage, and normal handling charges.
5. **Small Purchase Orders cannot be used for the following transactions: Printing, Hazardous/Radioactive or Controlled Chemicals, and items/services already covered by requesting department's blanket purchase orders, system contracts or maintenance agreements, or, goods associated with work order renovations.**
6. **Small Purchase Orders cannot be used for equipment items that are to be added to the University's formal inventory, or, items that will be tagged as 'Florida Tech Property', in accordance with the University's property management procedures.**
7. Departments may not borrow Small Purchase Order forms from another department. Forms are registered to the department to which they were issued.
8. **Multiple Small Purchase Orders cannot be used to cover a single transaction.**
9. The Purchasing Department reserves the right to deny the privilege of using Small Purchase Orders to departments that misuse the system (e.g., orders exceeding the limit, untimely processing of paperwork or using inappropriate sources, insufficient funds, etc.) or fail to control the use of the forms.
10. **SMALL PURCHASE ORDERS WILL NOT ENCUMBER FUNDS.**

### B. Process.

1. Each order must be completely typed or legibly printed and have the required signature.
2. Small Purchase Orders must include the vendor ID number, vendor's name, department, user's name and location, internal delivery instructions, index code(s), account number, general description, total price and signature of authorized individual.
3. After completion of the Small Purchase Order, the original **white copy** should be sent directly to the vendor, phone orders should be marked "**Confirmed Do Not Duplicate**". It should be noted to whom the order was given and the date the order was placed. The Small Purchase Order copies to be disbursed immediately upon placing the order, as follows: the **goldenrod copy** should be retained by the department, the **pink copy** sent to the Purchasing Department and the **canary copy** sent directly to Accounts Payable, respectively, **immediately** upon placing the order.
4. It is the issuing departments responsibility to notify the vendor if an order is canceled. Failure to cancel an order will result in the department being responsible for freight and restocking fees, if applicable. Voided or canceled orders must be marked void and distributed as above.
5. Receiving reports will not be required for approval of payment. **Invoices must be sent to Accounts Payable.**

Issues? Questions? Contact Web Services

POLICY SOURCE: Purchasing &amp; Material Management - Purchasing

POLICY NO.: 1507

TITLE: Blanket Purchase Order Agreements

SUPERCEDES: 0

DATE: May 01, 2004

SUBMITTED BY: Levi Lewis

APPROVED BY: Levi Lewis

## I. PURPOSE

To identify the use and procedures for Blanket Purchase Order Agreements. A Blanket Purchase Order Agreement is equivalent to opening a charge account with a vendor.

## II. SCOPE

These procedures apply to all university departments/offices who have been given the authority to use Blanket Purchase Order Agreements by the Office of Purchasing. Grant accounts/Restricted accounts are excluded from using BPAs.

## III. BACKGROUND

The Blanket Purchase Agreement is designed to reduce paperwork and is issued to vendors for the repetitive purchases of goods and services. Capital goods or equipment are not to be purchased with a BPA.

## IV. PROCEDURE

A. The Office of Purchasing will determine when it is appropriate to issue Blanket Purchase Order Agreements and will negotiate directly with vendors. University Departments/offices may request Purchasing to investigate the use of BPAs via the attached form.

Also, a university department may request to open a BPA for a vendor that they utilize on a continual basis. The university department provides the Office of Purchasing with the authorization to do so.

The agreement will usually address the following vendor issues:

1. Effective Date through Expiration Date -- usually two or three years.
2. List of employees authorized to purchase under the agreement.
3. Dollar limit per transaction, maximum \$1500.00. Any exceptions will be determined by the Office of Purchasing.
4. A not to exceed total amount.
5. Billing procedure including the index, department/office, and account code.
6. Pricing methodology.
7. Delivery, returns, credits, warranties, and other policies.
8. Replaces a "sole source justification," document where appropriate.

B. Blanket Purchase Order Agreements will be entered on Florida Tech's Banner System utilizing a unique set of numbers assigned by the Office of Purchasing. The same purchase order number will be used on a recurring basis for each vendor.

C. BLANKET PURCHASE ORDER AGREEMENTS DO NOT ENCUMBER A DEPARTMENT'S/OFFICE'S BUDGET IN ADVANCE OF ACTUAL PURCHASES.

D. Invoices for Blanket Purchase Agreements will be mailed to Accounts Payable or to the appropriate department/office as directed by the Office of Purchasing.

E. It is the responsibility of the University Department/office to notify the vendor of the appropriate index and account number to charge.

Issues? Questions? Contact Web Services

**FLORIDA INSTITUTE OF TECHNOLOGY**  
**CONSULTANT SERVICES**

This Agreement, is made by and among the Florida Institute of Technology, Inc., 150 West University Boulevard, Melbourne, Florida 32901, (hereinafter referred to as "FLORIDA TECH"), and The Study Group, Inc., 209 Sir Walter Raleigh Drive, Kill Devil Hills, NC 27948 (hereinafter referred to as "CONSULTANT"). FLORIDA TECH and CONSULTANT are sometimes referred to as the "Party" or the "Parties".

**WITNESSETH**

**WHEREAS**, FLORIDA TECH in furtherance of its education and research mission is the recipient of funds from the National Science Foundation (NSF); and

**WHEREAS**, FLORIDA TECH is desirous of engaging CONSULTANT to provide work associated with the project entitled "INSTEP II: Expansion of the Integrate Science Teaching Enhancement Partnership; and authorized under Award No. DGE-0638702, CFDA No. 47.076.

**WHEREAS**, CONSULTANT is prepared and willing to provide the aforementioned work,

**NOW THEREFORE**, in consideration of the above premises and of the mutual promises and other good and valuable considerations set forth below, FLORIDA TECH and CONSULTANT agree as follows:

**1. STATEMENT OF WORK**

CONSULTANT agrees to furnish work to be done under this Agreement in accordance with its proposal and budget, submitted to the FLORIDA TECH and incorporated herein as Attachment A.

**2. PERIOD OF PERFORMANCE**

This Agreement shall be effective June 1, 2008, and continue through May 31, 2009. This Agreement may be subject to renewal in the event the NSF Grant is renewed or extended for additional work as provided in the proposal. The extension of the Agreement for year two (2) and year three (3) is contingent on the approval of a project extension, the availability of funds and the successful completion of the first year effort.

**3. KEY PERSONNEL**

The following CONSULTANT individual(s) are considered key personnel essential to the work under the Agreement. CONSULTANT will notify FLORIDA TECH of any changes in key personnel. Any change in the individual(s) or their level of effort requires modification to this Agreement.

Dr. Patricia Bourexis / Dr. Joyce Kaser

#### 4. CONSIDERATION AND PAYMENT

- (a) FLORIDA TECH hereby provides incremental funding to the CONSULTANT in an amount of not-to-exceed \$30,000.00 for the period of June 1, 2008 through May 31, 2009.
- (b) CONSULTANT shall submit invoices in duplicate, on a quarterly basis in fixed installments in accordance with the following schedule:

\$7500.00	September 01, 2008
\$7500.00	December 01, 2008
\$7500.00	March 01, 2009
\$7500.00	June 01, 2009

- (c) Invoices shall be sent to FLORIDA TECH at the following address:

Florida Institute of Technology  
Office of Research & Sponsored Programs  
150 West University Blvd.  
Melbourne, FL 32901-6975  
Attn: John P. Politano, Jr.

- (d) Only complete invoices shall be processed for payment. To be considered complete, each invoice shall reference the Purchase Order Number and shall include the billing period, costs due for that period, and accumulated costs. Invoice must also include CONSULTANT'S federal ID number.
- (e) Contingent upon the receipt of funds paid to FLORIDA TECH by NSF, FLORIDA TECH shall disburse such amounts to CONSULTANT within 30 days of receipt of complete invoice.

#### 5. PERFORMANCE

The CONSULTANT will provide best efforts in performing the work under this Agreement and services will be rendered at a level commensurate with professional standards acceptable in the discipline and within the scope of the project.

#### 6. REPORTS

The CONSULTANT shall prepare and submit to FLORIDA TECH all necessary technical information as reasonably required by FLORIDA TECH in the performance of the Grant.

#### 7. ASSIGNMENT OF RIGHTS

CONSULTANT shall not assign or transfer its rights or obligations hereunder without modification to this Agreement. Purchase of a controlling interest in CONSULTANT by a third party shall be deemed an assignment.

## 8. EQUIPMENT

No funds authorized for the purchase of equipment.

## 9. INVENTIONS AND PATENTS

- (a) CONSULTANT will disclose promptly to FLORIDA TECH all inventions or improvements (hereinafter referred to as "Inventions") conceived, participated in, or made by CONSULTANT during the course of the project.
- (b) Subject to any rights of the Federal Government the following shall apply:
  - i. Title to any invention made solely by a CONSULTANT employee shall vest in CONSULTANT. FLORIDA TECH shall have the right to use such invention internally for its own use.
  - ii. Title to any invention made solely by a FLORIDA TECH employee shall vest in FLORIDA TECH.
  - iii. Title to any invention made jointly by employees of CONSULTANT and FLORIDA TECH shall be jointly owned.

## 10. TERMINATION

- (a) The performance of work under this Agreement may be terminated by FLORIDA TECH in accordance with this clause, in whole or in part, if Florida Tech determines that termination is in its best interest. Contingent upon the receipt of funds paid to FLORIDA TECH by the Government, FLORIDA TECH will pay all allowable costs associated with this Agreement incurred by CONSULTANT up to the date of termination.
- (b) In the event of default by CONSULTANT of its obligations under this Agreement performance by CONSULTANT may be terminated by FLORIDA TECH with an immediate written STOP WORK notice to CONSULTANT. Contingent upon the receipt of funds paid to FLORIDA TECH by the Government, FLORIDA TECH will pay all allowable costs incurred by CONSULTANT associated with the delivery of all acceptable deliverables up to the date of termination.
- (c) In the event that the Government for any reason terminates work by FLORIDA TECH on this Grant, then performance by CONSULTANT may be terminated by FLORIDA TECH at any time by written notice to CONSULTANT.

## 11. INDEMNITY

CONSULTANT shall indemnify, defend and hold harmless FLORIDA TECH, its officers, employees, agents and students from any loss, claim, damage or liability of whatsoever kind or nature, arising out of or in connection with the performance by CONSULTANT, its agents or employees, of this agreement to the full extent required or permitted by applicable law.

## 12. FORCE MAJEURE

No party shall be liable for any delays in or failure of performance due to strike, riot, fire, storm, explosion, War, act of God, governmental action, embargo, epidemic or any other cause beyond the reasonable control of such party.

### **13. AUDIT**

- (a) Within 15 days following written request by FLORIDA TECH, CONSULTANT shall make available for inspection and/or audit any and all records related to its performance under this Agreement. Said records are subject to inspection and audit by representatives of Florida Tech and the Comptroller General of the United States during reasonable business hours throughout the term of this Agreement and for the three (3) years immediately following the University's final payment to CONSULTANT under this Agreement. In the event an audit is initiated by FLORIDA TECH during the three (3) years following the University's final payment, CONSULTANT agrees to retain any and all records associated with this Agreement until such time as any disputes arising therefrom are resolved. All audit disallowances under this Agreement shall be the responsibility of CONSULTANT.
- (b) CONSULTANT acknowledges that it is aware of and agrees to comply with OMB Circulars A-21, A-133 or A-128 as appropriate. CONSULTANT agrees to provide FLORIDA TECH with audit information attesting to the fact that CONSULTANT'S records covering the period of this Agreement have been audited in accordance with Office of Management and Budget Circular A-133 or A-128, whichever is appropriate.

### **14. INDEPENDENT CONTRACTOR**

FLORIDA TECH contracts for the services of CONSULTANT as an independent contractor and not as an employee.

### **15. PUBLICITY**

No reference to either party shall be made in any advertising or publicity matter without prior written approval of the other party.

### **16. CONTRACTOR REPRESENTATIVES**

The following serve as the representatives of FLORIDA TECH in the areas indicated:

#### **(a) TECHNICAL MATTERS:**

Dr. Richard Tankersley  
Florida Institute of Technology  
150 West University Blvd.  
Melbourne, FL 32901  
Ph: 321-674-8195

(b) ADMINISTRATIVE MATTERS:

John P. Politano, Jr.  
Florida Institute of Technology  
150 West University Blvd.  
Melbourne, FL 32901  
Ph: 321-674-7239

**17. GENERAL PROVISIONS**

This Agreement is further governed by the NSF Grant and its subject to NSF General Grant Conditions (GC-1) January 5, 2009 available at: [http://www.nsf.gov/publications/pub\\_summ.jsp?ods\\_key=gc109](http://www.nsf.gov/publications/pub_summ.jsp?ods_key=gc109)

The NSF Grant General Conditions are hereby flowed down to CONSULTANT. CONSULTANT agrees to perform this work in accordance with said provisions. As used in said clauses, the following terms shall have the following meanings: (1) the term GOVERNMENT shall mean FLORIDA TECH; (2) the term HEAD OF THE AGENCY, AGENCY HEAD, SECRETARY, or CONTRACTING OFFICER shall mean the DIRECTOR, OFFICE OF SPONSORED PROGRAMS at FLORIDA TECH; (3) the term CONTRACTOR shall mean CONSULTANT.

In the event of inconsistency between the conditions of this Agreement and those of the aforementioned ATTACHMENTS, the inconsistency shall be resolved by giving precedence in the following order: (1) the NSF Grant; (2) this Agreement; (3) STATEMENT OF WORK OR PROPOSAL; (4) and the Purchase Order.

**18. REGULATORY COMPLIANCE AND GOVERNING LAW**

The CONSULTANT shall comply with the terms of the NSF Grant and all federal and state laws and regulations, including United States export laws and regulations, relating to thee respective duties, obligations, and performance under this Agreement.

This AGREEMENT, and any disputes arising under it, shall be governed by and construed in accordance with the laws of the State of Florida, Brevard County, which shall be the forum for any legal actions arising from or incident to this Agreement.

**19. SERVABILITY**


The illegality or unenforceability of the whole or any part of the provisions of this AGREEMENT will not affect the continued operation of the remaining provisions.

**20. ENTIRE AGREEMENT**

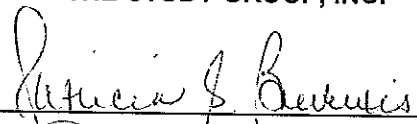
This Agreement represents the entire understandings of FLORIDA TECH and CONSULTANT, and can only be modified in writing and duly executed by both parties.

THE UNDERSIGNED BY THEIR AUTHORIZED AGENTS HAVE EXECUTED THIS AGREEMENT AS OF THE DATE WRITTEN BELOW.

FLORIDA INSTITUTE OF TECHNOLOGY

By:   
Name: John P. POLITANO JR  
Title: DIRECTOR  
Date: 6/12/09

THE STUDY GROUP, INC.

By:   
Name: Patricia S. Bourgeois  
Title: President  
Date: 6/7/09

# ATTACHMENT A

## Evaluation Memorandum

### The Study Group Inc.

To: Richard Tankersley, Principal Investigator/Project Leader  
John Windsor, Co-Principal Investigator  
Integrated Science Teaching Enhancement Partnership (InSTEP)  
Florida Institute of Technology (Florida Tech)

From: Patricia Bourexis, Principal Researcher

Date: February 10, 2009

Re: InSTEP Year Four External Evaluation Activities/Scope of Work

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The Study Group Inc. (TSG) will continue to serve as InSTEP's external evaluator in year four. TSG's activities will examine InSTEP's effects on graduate fellows, partner teachers, and Florida Tech's partnership with Brevard Public Schools (BPS). TSG recommends that the focus of its activities in year four shift slightly to include not only the assessment of outcomes of this InSTEP but also an assessment of the project's accomplishments and potential sustainability. This entails data on InSTEP's outcomes over several years (i.e., year 1-3). With this projected shift in mind, TSG proposes to conduct the following external evaluation activities in year four:

- A. Follow-up online survey of all InSTEP graduate fellows year 1-3. The survey will address current assignment (degree program, employment); participation in public outreach; influence of InSTEP on current and projected career choices as well as long-term commitment to public outreach. Findings will be included in the year four external evaluation report (May 31, 2009).
- B. Follow-up survey of all year 1-3 InSTEP partner teachers. The survey will address perceived impact of InSTEP participation on content knowledge; confidence in teaching ocean science topics; changes in the use of external science resources; changes in the use of inquiry-based pedagogy; participation in STEM activities; relationship with Florida Tech; use of InSTEP modules and lessons; on-going association with InSTEP. Findings will be included in the year four external evaluation report (May 31, 2009).

- C. A time-series assessment of fellows' presentation skills that tracks the fellows' proficiency in communicating science content to different audiences including high school teachers and students. Fellows' presentations will be videotaped on three occasions during their year of service beginning in summer 2008. Skills will be assessed using the *Assessing GK-12 Graduate Fellows' Presentation Skills* protocol developed by TSG for InSTEP. The assessment will identify trends in fellows' performance (i.e., improvements in presentation skills). Findings will be included in the year four external evaluation report (May 31, 2009).
- D. The development of an interview protocol and procedures to measure fellows' perceptions of the value of educational outreach, the benefits of university K-12 school partnerships, and intentions to continue to contribute to K-12 education. The protocol and procedures will be included in the year four external evaluation report (May 31, 2009).
- E. An initial investigation describing InSTEP's impact on BPS including an audit of InSTEP's records on the number and type of schools, teachers, and students directly involved in InSTEP activities year 1-3 and the project's dissemination planning and accomplishments. The findings will be included in the year four external evaluation report (May 31, 2009).
- F. Participation in the NSF PI meeting in spring 2009 in Washington, DC.

TSG will submit its external evaluation findings and recommendations to the project through an annual report submitted by the end of the contract period. This report will address all external evaluation data collected between June 2008 and May 2009.



*Mail 6/15/09*

*Florida Institute of Technology*

Office of Sponsored Programs

June 15, 2009

Re: 201089

The Study Group, Inc.  
209 Walter Raleigh Drive  
Kill Devil Hills, NC 27948  
Attn: Dr. Patricia Bourexis

Subject: Subcontract between FIT and The Study Group: Track 1 GK-12: Integrated Science Teaching Enhancement Partnership (InSTEP II) PI: Dr. Richard Tankersley

Enclosure: Executed Subcontract (1 Copy)

Dear Dr. Bourexis:

Enclosed herein for your records is a fully executed Subcontract between Florida Tech and The Study Group.

If you have any questions or should require anything additional, please feel free to contact myself at (321) 674-7490.

Sincerely,

Carolyn R. Lockyer  
Sponsored Programs Administrator

*cc: Tankersley*