

FEDERAL GRANT PROCEDURES

6/30/2008

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I Overview of External Funding of APS Programs

The APS relies on staff, members and committees to carry out special projects that are supported by external funding from federal agencies and private foundations. The project leadership team has the opportunity to work with the APS in launching a national program that can have great impact and serve our community and other stakeholders and the country.

There are fundamental differences in leading an externally supported project for the APS and being the principal investigator on a project residing at a university or college. The APS operates under the Office of Management and Budget's Circular A-122. This Circular establishes principles for determining costs of grants, contracts and other agreements with non-profit organizations. It does not apply to colleges and universities which are covered by Office of Management and Budget (OMB) Circular A-21, "Cost Principles for Educational Institutions". The principles of Circular A-122 are designed to provide that the Federal Government bear its fair share of costs except where restricted or prohibited by law. The principles do not attempt to prescribe the extent of cost sharing or matching on grants, contracts, or other agreements. However, APS staff should be aware that such cost sharing or matching may not be accomplished through arbitrary limitations on individual cost elements by Federal agencies.

The Principal Investigator (PI) is the project leader, but is leading an APS program. Anyone heading an APS program or project, whether funded or not, works within the governing structure of the APS. The APS is not simply a fiscal agent for an individual, or even a group, effort.

This manual provides information to people wishing to be the Principal Investigator or co-Principal Investigator (co-PI) on a grant under the auspices of the APS. APS uses the term PI for anyone, staff or volunteer, in charge of a grant or a project managed operationally or fiscally by the APS. This use of the term PI is consistent with usage in federal grants and contracts.

Sometimes the PI of an externally funded project is not an APS staff member. In this case, to ensure smooth operation and financial and managerial accountability, an APS staff member will be a member of the project leadership team and one of the project's co-PIs. This person will be referred to as the Staff Principal Investigator (SPI).

If the project is initiated by an APS committee or unit, and the PI is not an APS staff member, the group must be willing to identify at least one volunteer willing to serve as PI and to organize and coordinate the writing of the grant proposal and the management of the funded project.

The relevant APS Operating Officer selects a staff member to act as SPI, who lends support to the PI in the management of the entire process from initial synopsis to final report. The status of the proposal and grant are reported to the Executive Board of the APS.

This Manual provides a description of the internal policies and procedures necessary for the approval and implementation of a project. It details the process and necessary interactions with the staff and committees as well as the timing of these interactions.

These guidelines are not intended to supersede any applicable federal policies or regulations. Such regulations may change over time and always supersede this manual.

II Proposal Development, Approval and Submission

II.A Proposal Development and Approval

A proposal should be developed in consultation with the appropriate APS Director who will confer with the relevant APS Operating Officer(s) for their approval. This approval process may involve consultation with an appropriate committee.

After approval by the relevant APS Operating Officer(s), the Executive Officer or designated SPI will present it to Executive Board for review and approval. The Executive Board can approve the prospectus by email or, if a more in-depth discussion is necessary, at a regularly-scheduled meeting.

The Executive Board will consider the project's fit with the mission, scope, and strategic priorities of the APS. Once the prospectus is approved by the Executive Board, the PI working with the SPI prepares a full final proposal in accordance with the granting source's requirements and submits it to the relevant Operating Officer(s). Optimally, this should be done at least 4 weeks prior to any funding source's relevant deadline.

A master file is created and maintained at the APS headquarters. Documents in this file include the synopsis, original full proposal, award letters, reports, requests for extensions and additional or supplemental support, letters responding to these requests, and other pertinent materials and correspondence. Anyone, PI or APS staff, who originates or receives any document or correspondence of this type concerning the grant should send a copy to the Accounting Department for distribution to the master file.

The PI ascertains the funding agency requirements and format for a proposal. The PI should work with the SPI during the grant proposal development stage. The PI, SPI, and appropriate APS staff work together to edit the proposal to assure that it is clear, consistent with the APS mission, that all budget items are in accord with agency and APS regulations, and that submission deadlines are met.

II.B Proposal Submission

A proposal must be approved by the Executive Board and the relevant Operating Officer, and the budget must be specifically approved by the Treasurer, before submission to a funding agency.

Items required in the proposal package depend on the funding agency's requirements and could include:

- Cover letter or sheet
- Abstract
- Narrative
- Budget and budget justification
- Vitae
- Completed subcontracts and accompanying documentation
- Letters of support and/or acceptance from:
 - subcontracting organizations
 - individuals
 - other organizations

Proposals to NSF must be submitted via FastLane and may also be prepared in FastLane. PI's and co-PI's who are contributing to the preparation of the proposal can get a FastLane password from the APS by contacting the SPI. All forms that must be submitted are found at the FastLane site accessed via the Internet at www.nsf.gov.

If the proposal includes subcontracts, a letter of agreement from the subcontracting organization or a full subcontract proposal should be submitted with the full proposal and the subcontract budget should be a part of the full budget. The process of getting a letter of agreement should usually begin at least 4 weeks prior to the deadline. The APS Accounting Department can create the subcontract, which must be approved by the PI and Executive Officer. Some funding agencies may require that the subcontract be submitted at the same time as the proposal; others permit the completion of the subcontract after the grant is awarded. This depends on the program. If a full subcontract proposal is to be submitted with the proposal, the timeline for development and approval by APS is the same as for the main proposal. NSF requires the subcontractor to submit the subcontract as a part of the FastLane submission of the grant proposal.

The PI completes the final documents including all forms and documents required by the granting agency. Once finalized, the full proposal package is given to the relevant Operating Officer a minimum of 3 days prior to the submission deadline. The relevant Operating Officer signs the proposal or writes a cover letter, and submits the proposal to the granting source where appropriate.

For NSF proposals, it is the PI who initially enters the proposal into FastLane. At that time, the PI may allow the Institutional Representative (the relevant Operating Officer) the ability to edit the proposal. Doing so may save time if there are any mistakes that the relevant Operating Officer can correct rather than go back to the PI. The relevant Operating Officer will not make any significant changes to the proposal or the budget without getting the agreement of the PI. NSF notifies the relevant Operating Officer that the proposal has been submitted and asks for the relevant Operating Officer's approval. The relevant Operating Officer reviews the proposal on FastLane and officially submits it to NSF for the APS.

If the funding agency, prior to awarding the grant, requires modifications that result in changes to the project activities and/or budget, the relevant Operating Officer and SPI will work with the PI to expedite approvals as needed.

The granting agency will determine whether it will award or decline the funds or require modification to the proposal, and will send notification by mail or email. Most often, this notification will be sent to APS staff; sometimes it is sent to the PI. Whoever receives it must send the original to the relevant Operating Officer for distribution.

II.C Budget Guidelines

The PI should consult with the relevant Director or SPI in construction of the budget. Budget items must conform to the stipulations of the funding agency and APS financial operations. All budgetary items must be documentable expenditures. During the operation of the grant supported activities, this documentation must be provided on a timely and regular schedule to the APS. These considerations may affect budgetary items to be included in the budget. Fringe benefits must conform to the employer's. Consultant fees must be explained in detail, with a daily or hourly rate and the number of days or hours to be supported. The rate cannot exceed the allowable rate specified by the funding agency.

Anyone compensated by project funding who is not a staff member must be paid either

through their employer as part of their salary or as a consultant on the project. In the first case, the compensation must represent a portion of salary equivalent to the time devoted to the project. In the second case, compensation must be supported by a formula included in the proposed budget that shows days to be devoted to the project and the daily rate of pay. Consultants must report their days devoted to the project in order to receive compensation in a timely manner; within a month is desirable, but no later than 2 months. No reimbursements can be made after a grant has been closed. For those grants developed with multi-year funding for PI compensation, the budget may be developed with a reasonable annual percentage increase. Any addition to compensation in time or rate over and above the approved budget must be approved by the APS Treasurer.

III Project Management

III.A Funded Project Management

Once funded, the project is managed using the following procedures:

1. The relevant Operating Officer sends a copy of the award letter to the SPI, PI, and the APS Accounting Department.
2. The project is assigned a Cost Center number by the Accounting Department.
3. The SPI and Accounting Department sends the PI information and forms to be used in requesting payment of project expenses.
4. The PI begins implementation of the project and, in a timely fashion, submits all reports as required by the grantor and APS. Reports to agencies other than NSF must be given to the relevant Operating Officer for submission and distribution. Reports to NSF are submitted into FastLane directly by the PI. If the SPI does not have access to the report, then the PI should print a copy of the report and send these to the SPI.
5. The Accounting Department sends budget reports monthly to the PI and SPI.
6. The Treasurer approves all annual budgets. Any significant changes in budget distribution or request for supplementary funding for additional activities must be approved by the Treasurer before submission to the funding agency.
7. The SPI will be responsible for and manage all staff support of the project. He/she oversees the portion of the budget that goes directly to the APS. All staff compensation is calculated on actual hours worked and individual salary rates. Staff time devoted to a project is reported on biweekly time sheets. The SPI and Accounting Department work together to ensure smooth project management.
8. The SPI represents the Executive Board in project oversight. If the volunteer leaders of the project are no longer active in management, the SPI will be able to process unresolved financial obligations, write required reports, and close out the project.
9. Disputes among project PIs or with the APS staff should be reported to the APS relevant Operating Officer.

III.B Grant Modifications

Any major changes in activities or scope during the implementation stage must be approved by the Executive Board. Any requests for budget revisions, additional or supplemental support, or no-cost extensions must be approved by the relevant Operating Officer and the Treasurer subsequent to the following:

1. PI ascertains the granting source requirements and format for a request, writes the request, and submits it to the SPI for distribution to the relevant Operating Officer and other appropriate staff and volunteers for review and approval. Requests should be made at least 15 days prior to the granting source's deadline and can be made in the following areas depending upon the granting source:
 - a. Extensions: the PI can request an extension (either funded or unfunded) of the annual or final deadline if the work is not completed. It should be noted whether the request is for an extension of payments or just more time to complete the project activities. Note: The NSF deadline for the request for the first extension is 10 days before the termination date. The NSF deadline for requests for all subsequent extensions, including automatic extensions, is 45 days before the termination date.
 - b. More financial support: the PI can request further financial support from the granting agency to continue or extend the activities of the project.
 - c. Budget revisions: the PI can request major revisions in budget line items based upon changes made in the activities needed to complete the project.
2. Once the request is approved, the PI completes the final forms and sends them to the relevant Operating Officer for submission and distribution.
3. The granting agency will either award or decline the requested modification and should send notification by mail or email. Most often, it will be sent to APS staff; sometimes it is sent to the PI. Whoever receives it sends the original to the relevant Operating Officer for distribution.

III.C Salaries / Personnel Expenses

Anyone compensated by project funding who is not a staff member must be paid either through their employer as part of their salary or as a consultant on the project. In the first case, the employer will bill the APS for reimbursement. In the second case, compensation must adhere to the formula included in the project budget, and use the contracted rate of pay. Consultants must report days worked on the project in timely manner; within a month is desirable. No reimbursements can be made after a grant has been closed. Any significant addition to compensation in time or rate over and above the approved budget must be approved by the APS Treasurer.

The PI is responsible for verifying that each person compensated under the grant did in fact attend the meeting or did perform the agreed-upon service. Government auditors expect to have contracts or letters of agreement for every honorarium/stipend that is paid, even if only for one day.

III.D Subcontracts

Grant proposals that include subcontracts should have letters of agreement or contracts with the subcontracting agency. The person who will direct that subcontract should submit to the SPI and the PI a statement of the work to be performed and a budget with a budget explanation. The SPI will then prepare the subcontract agreement and forward the copies to be signed to the appropriate official of the subcontracting agency. For some agencies, such as NSF, the subcontract must be prepared by and submitted by the subcontractor along with the grant proposal. The subcontract must be reviewed and approved by the APS along with the proposal.

The subcontract agent will be reimbursed for expenses upon submission of appropriate documentation, invoices and/or receipts. Reimbursement requests for work under a subcontract should be sent directly to the SPI. Subcontract institutions must comply with the same grant general terms and conditions as the APS.

The APS must perform periodic monitoring of all subcontractors and grant sub-recipients. Monitoring procedures appropriate to each project will be included in the subcontract agreement or memorandum of understanding, depending on the nature of the project.

III.E Budgets

As soon as notification is received from the funding agency that the grant has been awarded and the final budget approved, the APS Accounting Department will assign a cost center to the project and send the SPI the following forms:

- Supporting Schedule of Income and Expense which will detail the grant budget by line item.
- Chart of Accounts -APS Grants and Contracts
- Cost Centers Specific to Grant, referenced to Grant Budget
- Travel and Reimbursement Report
- Grant Personnel Activity Form with Time and Attendance
- Budget Transfer Form

The SPI will use the Chart of Accounts and Cost Centers, which is specific to the grant budget, to code all expenditures submitted against the grant budget. The SPI is responsible for coding all expenses, has control over expenditures in each line item, and is generally more familiar with where certain expenditures fit into their grant budget.

Although the SPI is responsible for coding the expenses, the Grant Accounting Manager (GAM) will review all expenses submitted against the grant budget to ensure that 1) the expense is allowable per the funding agency, 2) the expense has been coded to the appropriate budget line item per the approved budget, and 3) the appropriate budget line item has a sufficient balance to cover the expense. The Assistant Controller in the College Park office will serve as the GAM.

If there are any questions or problems with the expenditures submitted, the GAM will contact the SPI to resolve the matter.

If the SPI finds more funds have been spent than anticipated in the budgeted amount for a specific task, the SPI may request that funds be transferred from another line item provided the proper approval has been obtained from the funding agency if prior approval

is necessary. Budget transfer requests can be made by submitting a Budget Transfer Form to the GAM.

III.F Cost Sharing

Cost sharing is the amount of expenses in a grant that are not covered by funds from the Funding Agency. Where a grant stipulates cost sharing as part of the grant agreement, the APS must document that the cost sharing has been met. It is the responsibility of the SPI to ensure that cost sharing obligations have been met and the responsibility of the APS to ensure that cost sharing has been documented.

IV Financial Management

IV.A Reimbursement of Expenditures

APS disburses all grant funds on a reimbursement basis. This means that an expense has to have been incurred before grant funds can be requested.

The SPI or designee is required to authorize all expenses by signing all appropriate forms before reimbursement can be made. The appropriate forms consist of the APS Travel and Reimbursement Report (always needs to be submitted) and the APS Grant Personnel Activity Form with Time and Attendance (submitted in addition to the Travel and Reimbursement Report only when requesting any type of salary).

All requests for travel expense reimbursement are to be submitted on an APS Travel and Expense Report. The Cost Center for each budget expense item is not prelisted and must be written in on the form. If an expense item is not listed on the form, the expense item name and Cost Center should be written in at the bottom. It is very important to specify the Cost Center so that expenses are charged to the correct budget line.

The Form should be filled out completely, signed by the requestor and the SPI or designee, and then sent to the GAM. Proper documentation (original receipts, invoices, etc.) is needed for all expenses of \$25 or more and must accompany the APS Travel and Reimbursement Report. Original receipts/invoices are mandatory when the reimbursement request is for the total amount of an expense. Copies are only acceptable when the APS is reimbursing only a portion of an expense.

For travel, actual expenses are reimbursed but per diem may be used if budgeted and approved as such by the funding agency. Airplane flights should always be at coach rate and the passenger receipt ticket showing the airfare, flight class, and airline carrier must accompany all requests for reimbursements of air flights. The current government mileage reimbursement is indicated on the APS Travel and Expense Report. Please note that it is important to have all documentation in tact so that reimbursements are not delayed.

IV.B Non-Reimbursable Expenditures

There are a number of costs which are considered unallowable and cannot be charged to a Federal grant. The following is a listing of such costs.

- A. Advertising and public relations:
 - 1. Advertising – Advertising not allowable, except for recruitment, procurement, disposal of surplus materials (when not already reimbursed), or as required by award.
 - 2. Public relations – Public relations is not allowable, except when required by award or to communicate news and information about federal awards or other “matters of public concern”.
- B. Alcoholic beverages – Unallowable.
- C. Bad debts – Unallowable unless provided for in program regulations.
- D. Cash payments – Unallowable without original receipts or other appropriate documentation.
- E. Compensation for personal services – Unallowable without proper documentation such as time sheets.
- F. Contingencies – Unallowable.
- G. Defense, prosecution, claims and appeals – Generally unallowable except in certain circumstances.
- H. Donations and contributions – Unallowable.
- I. Entertainment – Unallowable.
- J. Equipment and other capital expenditures – Items capitalized are unallowable without prior federal approval. However, items under the \$5000 capitalization threshold are allowable as direct costs.
- K. Fundraising and investment management.
 - 1. Fundraising – Unallowable.
 - 2. Investment management – Costs of investment counsel to enhance income are unallowable. Cost related to custody of money and securities are allowable.
- L. Goods and services for personal use – Unallowable.
- M. Housing and personal living expenses – Unallowable except when necessary for the sponsored award.
- N. Interest expense – Unallowable.
- O. Lobbying – Unallowable.
- P. Losses on other sponsored agreements or contracts – Unallowable.
- Q. Pre-agreement costs – Unallowable without written approval. Pre-award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are

allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency.

- R. Travel – Allowable with restrictions on first-class, noncommercial carrier or foreign air travel. Direct charges for foreign travel costs (outside Canada, Mexico, the United States and any United States territories and possessions) are allowable only when the travel has received prior approval of the awarding agency. Each separate foreign trip must receipt such approval. Such foreign travel is also subject to the following requirement:
1. The General Services Administration issued an amendment to the Federal Travel Regulations in the November 13, 1998 edition of the Federal Register (Vol. 63, No. 219). The amendment relates to the use of U.S. flag air carriers under the provisions of 49 U.S.C. 40118, which is commonly referred to as the Fly America Act.
 2. Any air transportation to, from, between or within a country other than the U.S. of persons or property, the expense of which will be assisted by Federal funding, must be performed by, or under a code-sharing arrangement with, a U.S.-flag air carrier if service provided by such a carrier is "available" (see Comp. Gen. Decision B-240956, dated September 25, 1991). Tickets (or documentation for electronic tickets) must identify the U.S.-flag air carrier's designator code and flight number.
 3. For the purposes of this requirement, U.S.-flag air carrier service is considered "available" even though:
 - a. comparable or a different kind of service can be provided at less cost by a foreign-flag air carrier;
 - b. foreign-flag air carrier service is preferred by or is more convenient for the traveler; or
 - c. service by a foreign-flag air carrier can be paid for in excess foreign currency.

IV.C Reimbursement for Salaries/Personnel Expenses

The Grant Personnel Activity Form With Time and Attendance must be filled out completely, signed by the requestor and the PI, then sent to the GAM to authorize payment to any personnel whether salaried, stipend, subcontract or honoraria.

The documentation needed for verification of each honoraria/stipend or "salary" paid by a grant must be attached to the Grant Personnel Activity Form and submitted in addition to the APS Travel and Reimbursement Report. .

Government auditors expect to have contracts or letters of agreement for every honoraria/stipend that is paid, even if only for one day. When payment is requested, all available letters of invitation or announcements of meetings should be attached to demonstrate that the honoraria/stipend to each person was agreed upon as part of attending a meeting or other function, and that it is part of the grant budget.

IV.D APS Financial Reports

After the Accounting Department has received and processed all financial data to close a month, the SPI will receive an APS financial report that shows the budgeted amount for each budget line item and the actual expenditures year to date. The SPI may also request a copy of the general ledger detail that reports all the transactions.

These reports are so the SPI can track the grant budget to see if it is on schedule and to check that the detail in APS's records is correct. If any errors are found the SPI should notify the GAM immediately so that they can be corrected.

IV.E General Accounting Policies

- A. Basis of Accounting - Accrual Basis
- B. Fiscal Period - January 1 through December 31
- C. Allocation Basis - Direct Allocation Basis
- D. Indirect Cost Rate Allocation: Base-Direct expenses less subawards and participant support costs.
- E. American Physical Society (APS) limits the fringe benefits to a rate of 33%.
- F. APS maintains adequate internal controls to insure that no cost is charged both directly and indirectly to Federal contracts or grants.
American Physical Society accumulates all indirect costs and revenues in accounts titled, "Indirect Cost-Expense" and "Indirect Cost-Revenue" respectively.

IV.F Cost Allocation

A. Salaries and Wages

1. Direct Costs – Most employees direct-charge their salary costs since their work is specifically identifiable to specific grants, contracts, or other activities such as lobbying, fund raising or providing services to members. The charges are supported by auditable labor distribution reports that reflect the actual activities of employees.

2. Indirect Costs - The following departments charge 100% of their salary costs indirectly:

Treasury Department
Accounting Department
Human Resource Department
Information Systems
Facilities Management

3. Mixed Charges - The following departments may charge their salary costs to both direct and indirect activities:

Executive Officer

The distinction between direct and indirect is primarily based on functions performed. For example, when the positions shown are performing functions that are necessary and beneficial to all programs they are indirect. When functions are specific to one or more programs they are direct because they do not benefit all programs.

Auditable labor distribution records that reflect the actual activities of employees are maintained to support direct and indirect charges. The Principal Investigator certifies the time records.

B. Fringe Benefits

APS contributes to the following fringe benefits for its employees: Unemployment insurance, worker's compensation, F.I.C.A., health insurance, contributions to a defined contribution pension plan and a post-retirement health benefit.

C. Travel

Travel costs may be charged as either direct or indirect costs depending on the purpose of the trip. For example, the Executive Officer of APS travels to a regional office to give employees a quarterly update. This trip is indirect in nature and should be charged as an indirect cost. However, if the Executive Officer of APS travels to a regional office to perform a specific task for a contract, the trip would be considered a direct cost.

D. Executive Board and Council Expenses

Executive Board and Council expenses charged on an indirect basis are for travel to/from Executive Board and Council meetings.

E. Supplies and Material

To the maximum extent possible, office supplies and materials are direct charged to the contract/grant that uses the supplies or materials. Supplies and materials used by staff that is engaged in indirect activities will be charged on an indirect basis.

F. Occupancy Expenses

Rent - APS occupies space it leases from the American Center for Physics. The lease provides for equal monthly payments during the term of the lease. Monthly lease costs are allocated, based on square footage, directly and indirectly as follows:

Indirect Costs - The cost of space occupied by staff whose salaries are charged to grants is charged indirectly.

APS has developed a floor plan that identifies what cost centers are charged space (based on square footage).

APS reduces the rental expense in indirect costs by 20.904% of the interest paid by the lessor of the College Park, Maryland building. The 20.904% represents that percentage of the building leased to APS.

G. Utilities

APS' lease includes the cost of all utilities.

H. Communications

1. A log is not maintained for fax transmissions. The cost of fax services is included in with local telephone service costs, which are prorated to direct and indirect charges based upon the square footage of space assigned.

2. Long distance telephone calls are prorated to direct and indirect charges based upon the square footage of space assigned.

3. Local telephone service costs are prorated to direct and indirect charges based upon the square footage of space assigned.

4. APS uses the leasor's mailroom and postage charges are prorated to direct and indirect charges based upon the square footage of space assigned. However, Overnight mail costs are specifically identified to the program or activity incurring the cost.

I. Photocopying and Printing

APS does not maintain a photocopy activity log for its internal copying. These costs are prorated to direct and indirect charges based upon the square footage of space assigned. Outside printing expenses are charged to the benefiting activity.

J. Outside Services

APS incurs outside services costs for its annual audit, legal fees, and for staff development specialists.

1. The cost of the annual audit is charged indirectly.
2. In general, legal fees are charged directly to the benefiting program or activity.
3. Legal fees that are not identifiable to specific direct programs are charged indirectly.

K. Capital Items

Capital expenditures are charged directly to programs only in cases where a contract or grant specifically authorizes such charges. No capital item is charged indirectly. The cost of capital items purchased with non-Federal funds are recovered through depreciation charges. APS' capitalization threshold is \$5000.

L. Depreciation

The cost of capital items purchased with non-Federal funds, which are used in a manner that benefits Federal programs, is recovered through depreciation charged. APS recovers the cost of capital items using straight-line depreciation methods in accordance with generally accepted accounting principles. Depreciation is charged indirectly.

M. Service to Members

The costs of activities performed primarily as services to members, clients, or the general public are classified as direct costs and bear their fair share of indirect costs. These activities include: maintenance of membership rolls, subscriptions, publications, and related functions; providing services and information to members, legislative or administrative bodies, or the public; promotion, lobbying, and other forms of public relations; meetings and conferences except those held to conduct the general administration of APS; maintenance, protection, and investment of special funds not used in operation of APS; and administration of group benefits on behalf of members or clients including life and hospital insurance, annuity or retirement plans, financial aid, etc.

N. Unallowable Costs

APS recognizes that the following costs, as defined in A-122, are unallowable charges to Federal awards and has internal controls in place to insure that such costs are not charged to Federal awards:

The cost of advertising and public relations, entertainment/alcoholic beverages, capital expenditures, defense claims by the Federal Government, interest, lobbying and fund raising.

IV.G Miscellaneous Items

Occasionally a grant may call for special arrangements such as travel advances, direct billing, etc. Each of these will be handled on a case by case basis. Please contact the GAM directly to discuss these items.
