


CANCER PREVENTION & RESEARCH  
INSTITUTE OF TEXAS

## CPRIT Grantee Annual Compliance Training October 2022

Product Development



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### Contact Information

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### Programmatic Contact – Product Development

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## Training Overview

- Introductions
- FWA Reporting
- Policy and Procedure Guide Overview
- Recent Administrative Rule Changes
- Required Reporting
- Programmatic Topics

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## Fraud, Waste, & Abuse

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## Fraud, Waste, & Abuse

How do I Make a Report?

Use Client Code #5124633190  
(Users can remain anonymous)

Call

1-877-64-RedFlag  
(1-877-647-3335)

Online

[www.RedFlagReporting.com](http://www.RedFlagReporting.com)

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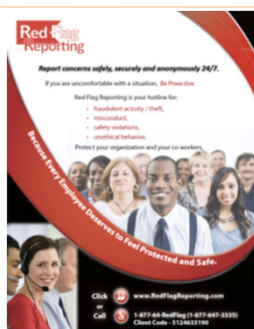
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## Fraud, Waste, & Abuse



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## Policies & Procedures

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## Sources of CPRIT Grantee Requirements

- Article III, Section 67 Texas Constitution
- Texas Health & Safety Code Chapter 102
- Texas Administrative Code Chapters 701 - 703
- Grant Contract
- Texas Grant Management Standards (formerly Uniform Grant Management Standards)

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### Sources of CPRIT Grantee Requirements

Most frequently referenced  
requirements:

- Texas Administrative Code  
Chapters 701 - 703
- Grant Contract

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### Grant Policies & Procedures Guide

- Combines grantee  
requirements from the various  
sources into one document
- Commonly referred to as the  
“P & P Guide”
- Available on CPRIT’s website
- Periodically updated

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### Remember The P&P Guide is only a *guide*

- ❗ The Grant Policies & Procedures  
Guide is only a resource and not an  
authoritative document
- ❗ CPRIT’s administrative rules,  
statute, and grant contract each  
outweigh the Guide

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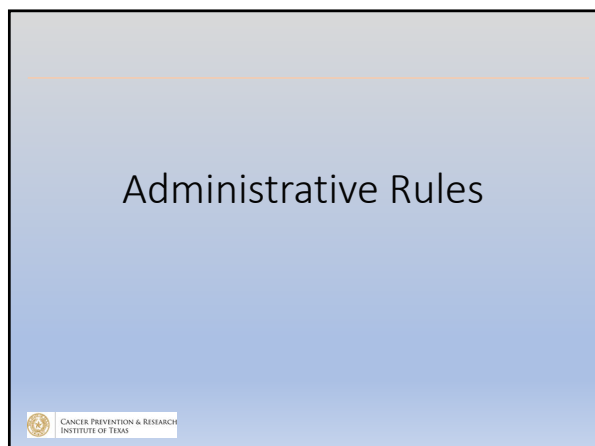
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**Why the Rules are Important for Grantees**

- CPRIT's rules contain many grantee requirements
- Changes to grantee requirements found in the rules happen through the rulemaking process
- The rules are the most cited source in the Grant Policies & Procedures Guide

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**What are the administrative rules?**

- Located in Texas Administrative Code (TAC).
- TAC includes all Texas state agency rules.
- Changes to the rules occur through the official rulemaking process.
- TAC is compiled, indexed, and published by the Texas Secretary of State (<https://www.sos.texas.gov/tac/index.shtml>)

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### CPRIT's Chapters in TAC

- Chapter 701: Policies and Procedures
- Chapter 702: Institute Standards on Ethics and Conflicts, including the Acceptance of Gifts and Donations to the Institute
- Chapter 703: Grants for Cancer Prevention and Research

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### How Rule Changes Occur

1. Proposed rule changes are announced at a quarterly Oversight Committee meeting.
2. Rule changes are made available for public comment & on CPRIT's website.
3. The Oversight Committee considers final adoption at the following open meeting.
4. Texas Administrative Code text is updated with the adopted rule changes.

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### How to Stay in the Know

- ☒ Check CPRIT's website;
- ☒ Receive CPRIT listserv emails;
- ☒ Watch Oversight Committee meetings; and
- ☒ Attend training webinars

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CPRIT's website is the best place to find the current rules and P&P Guide

<https://cprit.texas.gov/about-us/statute-rules-and-grant-policies-guide/>

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Recent Administrative Rule Changes

- Corrections to Financial Status Report (FSR) Supporting Documentation
- Eligible Grantee Matching Funds
- Texas Grant Management Standards

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Corrections to Financial Status Report (FSR) Supporting Documentation

§703.24(a)(5)

- Requires a grantee to submit corrections to FSR supporting documentation within five (5) business days after CPRIT makes the request.
- If a grantee does not meet the deadline then CPRIT may disapprove the FSR.
- Public comment period closed on October 3<sup>rd</sup>
- The Oversight Committee will consider adopting this rule change at the November 16 meeting.

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### Eligible Grantee Matching Funds

§ 703.11(c)(7)

- Adds relocation costs to Texas as a source of encumbered funds that a grantee may use to fulfill their matching funds requirement.
- Public comment period closed on October 3<sup>rd</sup>
- The Oversight Committee will consider adopting this rule change at the November 16 meeting.

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### Texas Grant Management Standards

§§ 703.10, 703.15, and 703.26

- Replaces references to Uniform Grant Management Standards with Texas Grant Management Standards (TxGMS) in CPRIT's administrative rules.
- CPRIT looks to TxGMS when there is not an agency-specific administrative rule.
- Public comment period closed on October 3<sup>rd</sup>
- The Oversight Committee will consider adopting this rule change at the November 16 meeting.

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## Administrative Rule Changes

### Q & A



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## Financial Status Reports (FSR)

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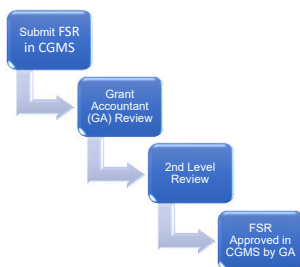
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## FSR Review and Approval Process



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## FSR – Checklist

- Expenses are paid within FSR period (cash basis)  
[7.6.3 Cash Basis Accounting](#)
- Payment date is included for all transactions
- FSR amounts match ledger totals by expense category

### Best Practice

- ①
- ②
- ③



P&P Guide Reference:  
9.4 Determining if a Cost is Allowable

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## FSR – Checklist

- Supporting documents are scanned in the same order as the transaction listing
- Supporting documents are legible
- Expenses are allowable

### *Best Practice*

- ①
- ②
- ③



P&P Guide Reference:  
9.4 Determining if a Cost is Allowable

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## FSR – Checklist

- Invoice amounts match amounts shown on the ledger. Partial charges are explained on the invoice
- Expenses are properly categorized
- Justification provided for prior period expenses

### *Best Practice*

- ①
- ②
- ③



P&P Guide Reference:  
9.4 Determining if a Cost is Allowable

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## FSR - Support Documentation

- Identify the amount charged to CPRIT when less than invoice amount.

Item Total	USD	3,430.00
Gross Value		3,430.00
Net Value		3,430.00
Shipping Fee		14.50
Total Solution Cr.		1,166.00
Amount Paid	USD	2,278.52
\$2,000 charged to CPRIT avoided	USD	2,278.52



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## FSR - Allowable Costs

### Costs should be:



Reasonable - Section 9.4.1

Allocable - Section 9.4.2

Adequately documented - Section 9.4.6

*Note: CPRIT is responsible for making the final determination regarding whether an expense is an allowable expense*

**P&P Guide Reference:**  
9.4 Determining if a Cost is Allowable

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## FSR – Examples of Unallowable Costs

- Individual Professional Membership fees
- Alcohol
- Tips & Gratuities
- Bad debt
- Lobbying costs
- Entertainment

**P&P Guide Reference:**  
9.4 Determining if a Cost is Allowable

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## FSR - Reporting

- No disbursement of grants funds will be made until all required financial and programmatic reports are approved
- If errors are made and adequate information is not provided, report will be disapproved and sent back for rework
- Allow enough time for ASO approval and submission before deadline



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### FSR – Checklist

- Supporting documents are scanned in the same order as the transaction listing
- Supporting documents are legible
- Expenses are allowable

### Best Practice

- 1
- 2
- 3



P&P Guide Reference:  
9.4 Determining if a Cost is Allowable

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## Financial Status Reports Q & A


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## Equipment


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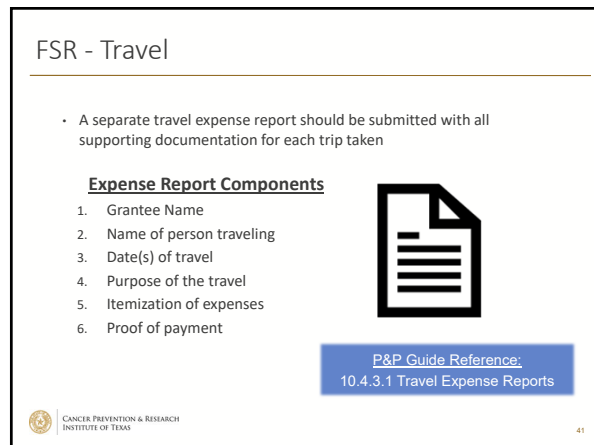
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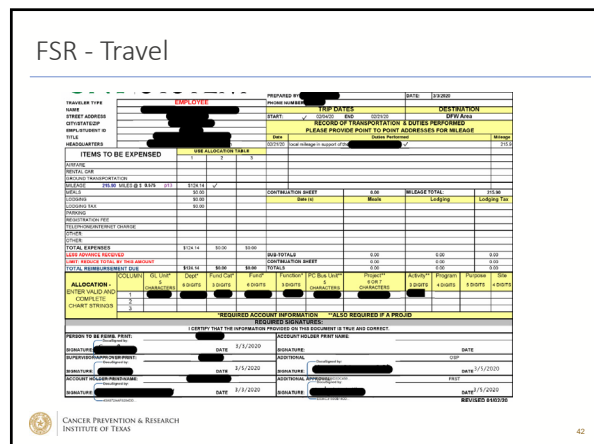
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### FSR - Travel Expense Checklist

- Meals expenses supported by itemized receipts unless using per diem
- Split receipts with multiple meals
- Exclude Group meals
- Exclude gratuities and alcohol



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### FSR - Travel Expense Checklist

- Meals and lodging expenses are within GSA limits
- Support includes copy of GSA rates for meals and lodging
- Taxi/Uber/Lyft receipts are included minus gratuities
- Receipts are legible



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### FSR - Travel Expense Checklist

- International travel expenses include CPRIT approval (must provide with FSR)
  - Initial Budget Justification
  - Change Not Otherwise Specified
- All travelers are listed on the PLOE
- Meals for day trips are excluded



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## FSR – Ineligible Travel Costs

- Alcohol or gratuities
- Airfare costs that exceed coach class
- Foreign travel without prior CPRIT approval
- Travel outside of the grant contract effective dates
- Employee traveling not listed on Personnel Level of Effort (PLOE)
- Dates of travel occur outside of the employee's PLOE period (Travel Only Exception)



P&P Guide Reference:  
10.4.3.2 Meal Expenses  
10.4.1 Allowable Travel Costs

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## FSRs - Foreign Currency

- Submit requests for reimbursement in United States dollar amounts
- If the original cost is in a foreign currency, the Grant Recipient must convert the cost to U.S. dollar amount and provide documentation of the exchange rate used for the conversion



P&P Guide Reference:  
10.4.4 International Travel Requires  
Prior Approval

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## FSR – Contractual Travel

Contractual Travel Costs	Required Support Documentation
Airfare	Itemized Amount
Mileage	Itemized Amount
Hotel	Itemized Amount
Meals	Receipts
Taxi/Uber	Receipts

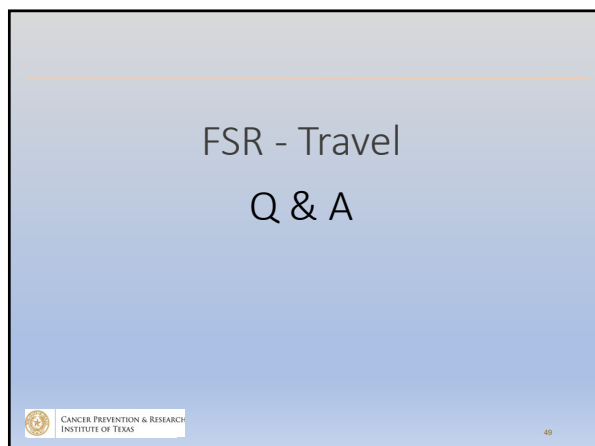
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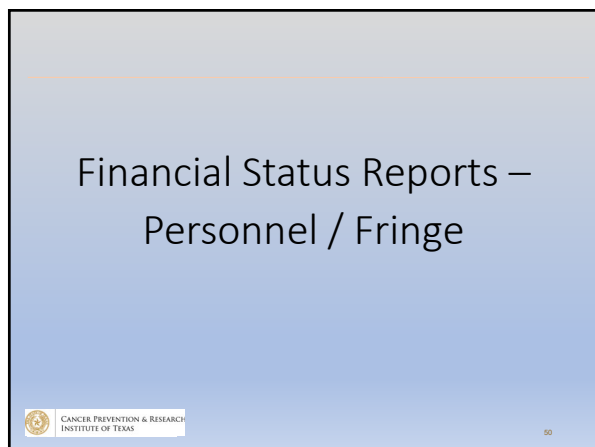
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## FSR-Personnel/Fringe

### Timesheets / Records of Actual Time Worked

- Time sheets or other records of actual hours worked must:
- Reflect an after-the-fact distribution of the actual time spent on each activity



P&P Guide Reference:  
10.2 Personnel Expense Category

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## Personnel Level of Effort (PLOE)

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## PLOE - Checklist

- PLOE is updated prior to submitting FSR
- Each employee with salary/fringe has Level of Effort for current award year
- All employees with travel and conference fees are listed on the PLOE



P&P Guide Reference:  
5.5.8 Personnel Level of Effort Form

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## PLOE - Checklist

PLOE change requests contain all the following elements:

- type of appointment
- number of months
- % effort
- justification for the change

Budget Category	Details: Staff	Details: Travel	Personnel Level of Effort	Financial Data: Budget	Expenses	Other Financial Data
<b>Personnel Level of Effort</b>						
Describe Person and Other Personnel			Level of Effort (LOE)		Year 1	Year 2
First Name	Last Name	Role on Project			Person Months/Year	Person Months/Year
	Investigator		Year 1: Available	12	12	
			Effort on Project	0.00%	0.00%	
			Person Months	0.00	0.00	0.00
PI/COPI			Year 1: Available	12	12	
			Effort on Project	0.00%	0.00%	
			Person Months	0.00	0.00	0.00
	Senior Research Associate		Year 1: Available	12	12	
			Effort on Project	0.00%	0.00%	
			Person Months	0.00	0.00	0.00
Total Person Months/Year				36	36	36

Enter information for all 3 categories

P&P Guide Reference:  
5.5.8 Personnel Level of Effort Form

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## PLOE

# reminder

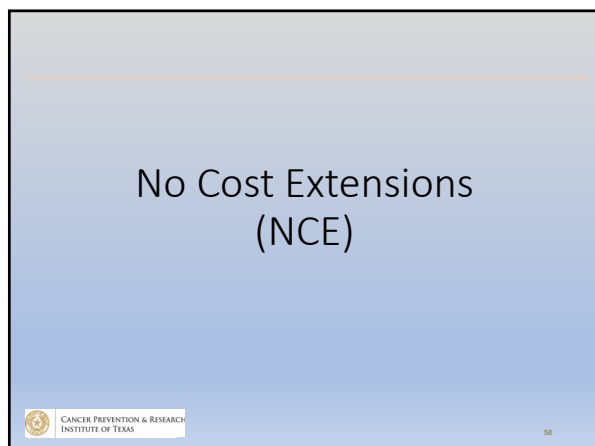
When grant moves to closeout status from active status (equivalent to the contract end date), the PLOE **cannot** be revised in CARS-CGMS, and any expenses related to personnel not listed on the PLOE **will not be reimbursed**

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## Personnel Level of Effort Form

## Q & A

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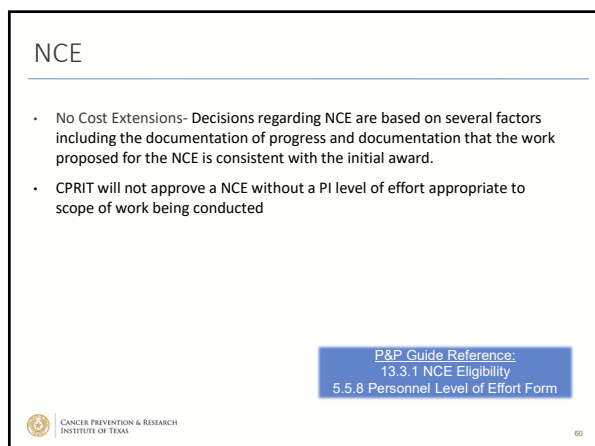
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## MCC Support Documentation

### Support documentation should include

- Matching Ledger
- Invoices related to Match expenses
- Proof of payment
- Applicable bank statements

**P&P Guide Reference:**  
6.4 Matching Fund Certification and Verification

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## MCC

- A match deficiency may be carried forward and added to the matching fund requirement for the next project year so long as:
  - Deficiency is equal to or less than 20% of the total matching funds required for the same period; and
  - No prior matching funds deficiency



**P&P Guide Reference:**  
6.4 Matching Fund Certification and Verification

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## MCC

### **Allowable Expenses Toward Match (not exhaustive list)**

- Any expense that can be claimed for grant reimbursement
- Unrecovered indirect costs up to ten percent (10%) of the grant award amount (in addition to 5% indirect costs claimed for reimbursement) DOES NOT APPLY TO ACADEMIC INSTITUTIONS
- An employee's salary amount that exceeds CPRIT's \$200,000 cap
- Travel expenses that exceed the GSA per diem limit on hotel rates or meals
- Airfare costs that exceed coach class airfare
- Foreign travel related to CPRIT's funded project
- Taxes that are effectively user fees (hotel taxes, gasoline tax, or airfare tax)
- Short-term travel visa fees and associated costs for an employee listed on the PLOE
- Grantee professional association fees or dues (related to the CPRIT-funded project)
- Patent application fees and associated patent application preparation costs
- Moving costs of office furnishings or employees of companies relocating to Texas
- Security systems and ongoing security system monitoring fees for physical space

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## MCC

- Grantee expenditures must be direct costs spent on the CPRIT-funded project or on closely related work
- 'Closely related' is interpreted as work that supports, extends, or facilitates the CPRIT project, even if the work is not supported by CPRIT funding



P&P Guide Reference:  
6.4.4 Examples of Appropriate Matching  
Funds Expenditures

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## MCC



Grant funds for the next project year will not be disbursed until the matching funds verification for the previous year and certification for the upcoming year have been approved.

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## Matching Compliance Certification

### Q & A

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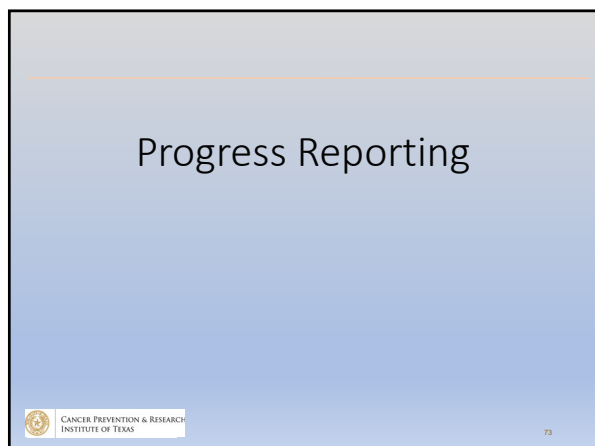
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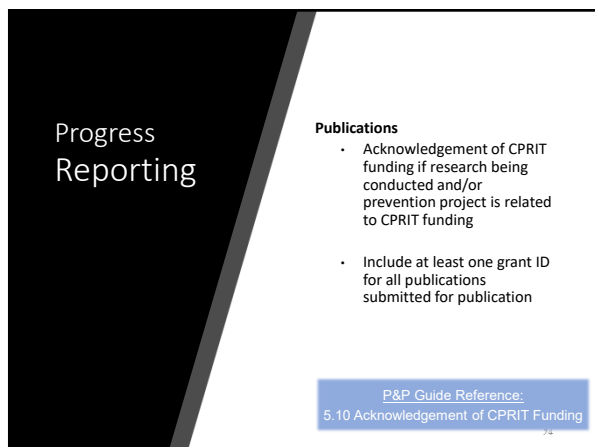
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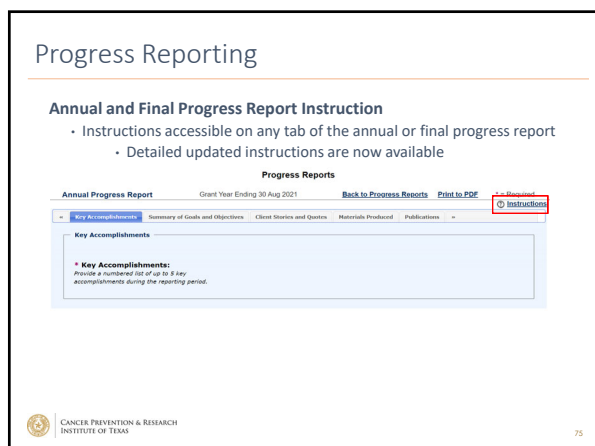
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## Programmatic Topics

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### Texas Location Criteria



Product Development Grantees must maintain its principal place of business in the State of Texas for a period of three years after the final payment of the Grant funds is made by CPRIT.

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### Texas Location Criteria

Must demonstrate and maintain at least 4 of the 7 criteria throughout the entire grant period.

- The U.S. headquarters is physically located in Texas
- The Chief Executive Officer resides in Texas
- A majority of the company's personnel, including at least two other C-level employees (or equivalent) reside in Texas
- Manufacturing activities take place in Texas
- At least 90% of Grant Award funds are paid to individuals and entities in Texas, including salaries and personnel costs for employees and contractors
- At least one clinical trial site in Texas
- Collaboration with a medical research organization in Texas, including a public or private institution of higher education

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## Texas Location Criteria

Documentation to demonstrate compliance may include:

- Fully executed headquarters' lease agreement
- Home/apartment lease agreement
- Texas Drivers Licenses
- Utility bills
- Paycheck stubs
- Fully executed contracts with manufacturers, clinical trial sites, or medical research organizations in Texas
- Texas Incorporation documentation

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## Advance Payments

- CPRIT will advance up to 50% of the project year budget at one time
- Must expend at least 90% of the grant award funds in a tranche before the additional funds will be advanced
- 10% of grant award funds will be withheld from a grantee until the grantee has completed the contract close out process and all grant reports have been submitted to and approved by CPRIT

P&P Guide Reference  
8.2.2 Advance Funds Method  
13.6 Final 10% of Grant Funds for  
Grantees Receiving Advance Payments

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## Advance Payments

- Advancements are requested by utilizing the "Advancement of Funds Form" option on the "Change Request" tab in CGMS



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## Change of Approved Goals and Objectives



- Any changes to the scope of work or budget should be consistent with the guidance provided by reviewers and must be approved by CPRIT

P&P Guide Reference:  
11.3 Goals and Objectives

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## Grant Support



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## Points of Contact

### CARS/CGMS Technical Issues?

Contact CPRIT Helpdesk

Email: [Help@CPRITGrants.org](mailto:Help@CPRITGrants.org)

Phone: 866-941-7146

### Programmatic/ Content questions?

Contact the CPRIT Program Manager/Officer

### Financial Questions/Issues?

Contact CPRIT Finance Manager/ Grant Accountant



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### Contact Information

<p>Cameron Eckel Staff Attorney 512-305-8495 <a href="mailto:ceckel@cpritchexas.gov">ceckel@cpritchexas.gov</a></p>	<p>Melanie Jamison Compliance Specialist 512-305-8509 <a href="mailto:mjamison@cpritchexas.gov">mjamison@cpritchexas.gov</a></p>
<p>Ed Dorotik Grant Accountant 512-305-6756 <a href="mailto:edorotik@cpritchexas.gov">edorotik@cpritchexas.gov</a></p>	<p>Stephen Nance Compliance Program Manager 512-305-8405 <a href="mailto:snance@cpritchexas.gov">snance@cpritchexas.gov</a></p>
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## CPRIT Grantee Annual Compliance Training

October 2022



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Product Development

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