

Boston College: OFFICE FOR SPONSORED PROGRAMS

Definitions and Glossary of Terms

Definitions and Glossary of Terms

Accounts Receivable is funds owed to Boston College by another entity based on invoices for goods supplied and services rendered.

Additive Method is when program income funds are added to the Federal award by the Federal agency and the non-Federal entity (Boston College), however, the program income **must** be used for the purposes and under the conditions of the Federal award. This is the default method for IHE's.

Advance Account is a mechanism used to establish a PeopleSoft project number which would allow the Principal Investigators (PI's) an opportunity to initiate a sponsored research and begin incurring associated expenses, at the department's risk, prior to the issuance and/or completion of negotiations of an award.

Aging is the tracking of days since an invoice has been issued (the accounts receivable was created) and payment has not been received from the sponsor/the entity that was invoiced.

Allowable Costs are charges for goods or services that are permitted on a sponsored award, agreement, contract, or grant. In other words, these costs are in compliance with Boston College's policies and procedures, the sponsor's terms and conditions, and Federal regulations, and therefore the allowable costs may be paid from the sponsor's funds. Allowability also includes the concepts that costs must be: (a) necessary and reasonable for performance of the sponsored award; allocable to the sponsored award; (b) in compliance with the sponsor's terms and conditions; (c) consistent with policies and procedures that apply uniformly to both Federally-financed and other activities at Boston College; (d) accorded consistent treatment (for example, a cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost; (e) in accordance with generally accepted accounting principles (GAAP); (f) only charged once (for example, the cost must not be included as a cost or used to meet cost sharing or matching requirements of any other Federally-financed program in either the current or a prior period), and (g) adequately documented.

Allocable Costs: A cost is allocable to a particular award if the goods or services [the costs] involved are chargeable or assignable to that award in accordance with relative benefits received. This standard is met if the cost: 1) is incurred specifically for the award, 2) benefits both the award and other work of Boston College and can be distributed in proportions that may be approximated using reasonable methods; and 3) is necessary to the overall

ledger. A Labor Redistribution may also be the movement of a salary-related cost off of a sponsored project.

Letter-Of-Credit is a payment method specified by a sponsor in their award agreement, which guarantees Boston College will receive payment in full provided that the sponsor's terms and conditions of the award have been met.

Matching Method is when program income funds are used to finance the non-Federal share of the award (note: the amount of the Federal award remains the same).

Overdraft/ Cost Overruns are charges that exceed the sponsor's funding amount. These costs should be removed from the sponsored award and charged to a non-sponsored chart string via a cost transfer.

Over-expenditure is when costs charged to an award exceed the amount of funds from the sponsor (a negative balance).

Per diem means a daily payment instead of actual expenses for meals and fees or tips to porters and stewards. **Per diem is not permitted on sponsored awards for lodging costs.**

Pre-award costs are costs incurred prior to the effective date of the sponsored award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the sponsored award.

Principal Investigator (PI) is the person primarily responsible for a sponsored award. The PI is primarily responsible for the design, direction, oversight, conduct, and successful completion of the sponsored project, and for managing the associated collaborative relationship2(e)-61io

