

GRANT COORDINATOR MEETING 9/15/11 SPONSORED PROGRAMS ACCOUNTING (SPA)

PI/DEPARTMENTAL REVIEW OF SUBRECIPIENT INVOICES

Managing subawards can be a major component of an award's overall administration. As such, here is a quick review of some things for departments to consider when reviewing subrecipient invoices:

Programmatic Review

- Are the expenses consistent with the subaward's scope of work?
- Are the expenses reasonable based upon the work performed to-date?
- Is the subrecipient up-to-date on the deliverables?

Administrative Review

- Are the expenses in line with the subaward's budget?
- Are the expense categories allowable per the prime award's terms and conditions?

If the invoice does not pass this review, you should contact the subrecipient to resolve the issue(s). Departments may want to consider holding up payment of the invoice until the issue has been resolved.

Sponsored Programs Accounting reviews subrecipient invoices for the following:

- Does the invoice billing period fall within the subaward period of performance?
- Is the invoice signed and certified by an authorized representative?
- Does the current invoice amount plus the previous cumulative expenses equal the current cumulative expenses?

For additional information, see the subrecipient monitoring flyer developed for PIs that will be posted on the Sponsored Programs Accounting website.

COST TRANSFERS

FROM:

Account not overspent

Overspent account

(Review unspent balance
Or cash balance)

TO:

Any appropriate account with funding

Any appropriate non-federal account with funding,
unless federal account is continuation funds

Costs CAN NOT be transferred from overspent accounts to federal accounts or federal flow-thru accounts. An exception is made for federal continuation accounts which must meet certain criteria—

- no funding gap between award periods,
- same project title, and
- same/similar sponsor award number.

Costs from overspent accounts CAN be transferred to non-federal accounts.

Costs on cost-reimbursable accounts must be incurred during the award period.

Costs transferred on to federal accounts must be made within 90 days of the transaction date OR within 90 days of the federal account being established.

Utilizing these concepts:

Only if the federal funds to be received are truly continuation funds should an established federal account be used to hold costs until the additional federal funds are received.

In all other cases, where there are costs that need to be incurred on federal projects before the award is received, a request for an advanced account number should be processed. An advanced account number should be utilized whenever the new award is not continuation funding, it is unknown whether the federal funding will be continuation funding, or the new funding is an NIH competing segment.

See <http://ospa.iastate.edu/forms/#university> for the advanced account number request template.

In summary:

- An overspent federal account's costs can be transferred to a continuation federal account (as defined above) or non-federal appropriate account.
- An overspent non-federal account's costs cannot be transferred to a federal account.
- An overspent non-federal account's costs can be transferred to an appropriate non-federal account.
- An overspent account's costs can always be transferred to an unrestricted source (incentive funds, fixed price funds, departmental 70X funds).

ONR PROPERTY CONTROL SYSTEM ANALYSIS REVIEW/REPORT

ISU was notified that we were selected for an on-site Office of Naval Research (ONR) Property Control System Analysis (PCSA) on May 2nd, 2011. ONR requested the following documentation be sent by end of May 2011 for all ONR administered awards:

- Inventory listing of all ONR cognizant Government-owned (restricted and furnished) equipment at ISU
- Inventory listing of all ONR cognizant Government-owned (restricted and furnished) equipment located off-campus or in the possession of subcontractors

- Inventory listing of all equipment (ISU title or restricted title) purchased on ONR administered awards during the previous 12 months

For the items purchased in the previous 12 months:

- Requisition documents
- Contract documents in reference to vesting of title
- Contract budgets that reference equipment purchases
- Pre-acquisition screening evidence
- Purchase orders
- Receiving documents
- Invoices/payment vouchers
- University written policies and procedures for control of Federal property
- Description and summary of compliance with physical inventory process

ONR also indicated that they would perform a physical walk through inspection of the equipment items while they were on-site.

Various administering departments, SPA, Inventory, and Purchasing worked in putting together this requested information. SPA performed a pre-walk through with the various administering departments for all the restricted and government furnished equipment items. When the pre-walk through was performed, it was noted that some equipment items were not tagged and some equipment items were not located where indicated in the inventory system. Please ensure that all inventory items assigned to your department are tagged, and that the building and room locations are accurate. Lana Jarvis can be contacted if duplicate tags are needed.

The ONR Contract Administrator was on-site for three days at the end of June 2011. The PCSA report was received by ISU on August 29th, 2011. The report contained one finding and four observations. ONR found that ISU does not have a written property manual that addresses all 10 process areas needed to administer Federally-owned equipment. The Inventory Office, SPA and Purchasing will be working on development of a University Property Manual later in FY12.

KFS/KC UPDATE

Kuali Financial Systems (KFS) and Cognos will replace WebFM starting in July of 2012. Phase 1 of Kuali Coeus (KC) will be implemented at the same time. A few of the system and administrative changes that will be necessary are detailed below.

Facilities and Administrative Costs/IDC

- **Terminology** - IDC will be shown as “ICR” (Indirect Cost Recovery) on most reports.
- **One IDC rate per account** - Each account will have only one IDC rate. If there is more than one IDC rate for an account, a new account will need to be set up. (This is what is already done for many NSF awards, where there is a Main account (48%) and a Participant Support Cost account (25%). If the negotiated rate changes during the

award period, a new account will be set up to handle the additional funds that come in at the new rate.

- **IDC will post along with transactions** - The direct cost and related IDC posting will occur on the same date. IDC will no longer post only at month end.
- **Capping of IDC** - IDC will no longer be capped at a certain dollar amount. See example below.

CURRENT WAY – IDC CAPPED. IDC is capped regardless of what cost categories expenses post to.

Example budget...	BUDGET	EXP
Equipment	\$10,000	\$0
Supplies	\$10,000	\$20,000
Total Direct Cost	<u>\$20,000</u>	<u>\$20,000</u>
IDC 48%	<u>\$4,800</u>	<u>\$4,800</u>
TOTAL Budget	<u>\$24,800</u>	<u>\$24,800</u>

PI can spend \$20,000 on supplies because IDC is currently capped at \$4,800.

NEW WAY – IDC NOT CAPPED. IDC will post in KFS based upon cost categories of the expense transactions, regardless of the amount budgeted for IDC. If the expense is subject to IDC, IDC will post.

Example budget...	BUDGET	EXP
Equipment	\$10,000	\$0
Supplies	\$10,000	\$16,756.76
Total Direct Cost	<u>\$20,000</u>	<u>\$16,756.76</u>
IDC 48%	<u>\$4,800</u>	<u>\$8,043.24</u>
TOTAL Budget	<u>\$24,800</u>	<u>\$24,800</u>

PI will be able to spend \$16,756.76 on supplies because IDC will post on all supply transactions.

Parent/Child Relationships

- **Terminology – Parent/Child vs. Admin Account/Subaccount** - Currently we refer to an award as having an “Admin” account and “Subaccounts” if additional accounts are needed. In KFS we will refer to an award as having a “Parent” account and a “Child” account or “Children” accounts if multiple accounts are needed.
- **Control Accounts** - In KFS, SPA will no longer set up “Control” accounts, which in current terminology means that SPA will no longer transfer funds from an Admin account to a subaccount at the time funding is added to the subaccount. There are very few “Control” accounts in existence, and these have been identified prior to the conversion and are listed below. Control accounts can be easily identified, as “CTRL” will be included in the AT account title description.

Current Control Accounts:

400-77-17 = CONOCOPHILLIPS/CTRL-BEI-BROW
412-35-02 Q DA1309BIO003-CTRL-DEVLIN
416-28-40 # 20083411519372/CTRL-NWRC-BI
416-28-51 # 20093411519743/CTRL-NWRC-BI
416-43-39 & 20103421120921/CTRL-ANS-DICK
416-43-43 # 20093449619899/CTRL-CCUR-GLA
416-44-16 # 20093421119817/CTRL-ANS-DICK
426-35-20 # 70NANB10H147-CTRL-WILCOX
430-28-11 # AT004155/CTRL-FSHNH-BIRT
436-77-10 Q DTRT07G0052/CTRL-ITRNS-HALLM
475-17-01 > BOR/GIVF/FY11/CTRL-VPR-LOREN
478-40-32 Q 09IPF16/OEI/CTRL-ANS-LOY

- **Terminology – Subaccount** - The term “subaccount” is currently used to refer to any account of an award that is not the “Admin” account. We currently have accounts designated as an Admin account or a Subaccount on the Award Summary screen in WebFM. In KFS, the term “Subaccount” refers to section/project.

WebFM TERM:	KFS TERM:
Section/Project	Subaccount
Subaccount	Child account
Admin account	Parent account
Control account	N/A

Cognos Reports to Replace E-mail Notices

Cognos reports are being created to replace the notices departments currently receive via email. E-mail notices currently sent are: 1) termination notices (award terminating in 90 days or less); 2) 90% of budget spent notices; and 3) overspent account notices. In Cognos, departments will be able to easily run a report and generate a list of these accounts as often as is desired. For example, if you wanted to determine which accounts are overspent and it is the middle of the month, you could run the report on demand at that time.

Cognos Reports to Replace SPA Financial Reports in e-Reports

Reports will be available in Cognos that will display the information currently found on the SPA Financial Report.

MISCELLANEOUS ITEMS AND UPDATES

2011-06 EASE Forms Deadline

The 2011-06 EASE forms have been printed and distributed to EASE Coordinators. The Controller’s Department has requested that ALL of these forms be returned by Friday, October 28th, 2011, to Nichole Seedorf in SPA. It is especially important to have a quick turnaround time for this EASE period, as these forms will be used in preparing the Facilities and Administrative (IDC) cost proposal. We appreciate your efforts and assistance in getting these EASE forms returned to the Controller’s Department in a timely manner.

Foundation (497) Accounts to FAR

As part of the effort to remove non-sponsored funding from SPA, the responsibility for ISU Foundation (497) parallel accounts was transferred to Financial Accounting and Reporting (FAR) in the Controller's Department on July 1, 2011. SPA has transferred its files for the 497 accounts to FAR. If you have questions concerning 497 accounts, please contact FAR. A list of FAR staff and their assigned areas is available at: <http://www.controller.iastate.edu/far/staff.htm>

Incremental Funding Uncertainty Notices

ISU recently received a notice from the Air Force Research Lab indicating that additional funding for a contract is uncertain at this time and will be dependent upon the amount of federal FY12 funds that are appropriated. The notice indicated that it is particularly important this year to be mindful of this fact in light of federal budget uncertainties. SPA would encourage departments to consider limiting the amount of spending into an additional year's federal funding before the funding is received.

Approval of Transactions and Related Receiving

Departments should not approve transactions for the purchase of goods or services without knowledge that the goods have been received or the services have been provided.

It is the responsibility of the department to ensure the goods they ordered have been received or the services have been performed before payments are approved. When charging goods or services to sponsored program accounts, the "received date" of the item must be within the period of performance of the grant or contract.

The receipt of goods and services can be documented by making a note on a packing slip, itemized receipt/order confirmation, or vendor/supplier invoice. The documentation to support expenses should contain adequate information that identifies what was purchased, where it was purchased, who purchased it, when it was purchased, and why it was purchased.

QUESTIONS/NEXT MEETING

Thursday, November 17, 2011; Pioneer Room, Memorial Union