

**GRANT COORDINATOR MEETING 11/17/05  
SPONSORED PROGRAMS ACCOUNTING**

**INTRODUCE DONNA NEUBAUER– SPA Accountant for the Colleges of Business, Design, Human Sciences, and Veterinary Medicine, and Vice Provost for Research (except CTRE)**

**SPA ORGANIZATION BY COLLEGE/UNIT – handout**

**TRANSFERS FROM ISU FOUNDATION (497) ACCOUNTS**

ISU Foundation parallel accounts (497-xx-xx) are set up by SPA so that departments can charge expenditures directly to these accounts. ISU selling agencies can intramurally charge appropriate services to ISU Foundation accounts. The ISU Foundation can also set up 497 subaccounts for subawards made from foundation accounts.

SPA has been receiving a number of Revenue and Expense Transfer (RET) forms attempting to expend funds from foundation accounts. These types of transactions are normally inappropriate! If the RET form was processed, an unsupported expense would post to the 497 account and, in most cases, revenue would post to the account on the “To” side of the form.

One of the main purposes of setting up the Foundation Parallel accounts is so the Departments can **easily** spend their Foundation funds, utilizing University processes and procedures to track their expenditures. Funds transferred from an ISU Foundation account to another University fund series account loses its ISU Foundation identity! In the future, RETs listing 497 accounts on the “From” side of an RET form will automatically be rejected unless the transfer has been approved in advance by the ISU Foundation or the RET is being utilized in lieu of a correction voucher where documentation supporting the expenditures is attached.

In summary, please charge ISU Foundation accounts directly when you have costs that are to be funded by these accounts.

**OMB ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES MOVED TO CFR TITLE 2**

The Office of Management and Budget (OMB) circulars we often refer to as A-21 and A-110 have been moved to Title 2 of the Code of Federal Regulations (CFR). OMB relocated these circulars as part of their efforts to create a single location where all of its guidance for grantees and the associated regulations of other federal agencies can be found.

OMB Circular A-110, the *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations*, has been moved to 2 CFR Part 215.

OMB Circular A-21, the *Cost Principles for Educational Institutions*, has moved to 2 CFR Part 220.

OMB has also moved A-87, *Cost Principles for State, Local and Indian Tribal Governments*, and A-122, *Cost Principles for Nonprofit Organizations*, to Title 2.

The OMB circulars may be found at:  
<http://www.whitehouse.gov/omb/circulars/>

The CFRs can be found at:  
<http://www.gpoaccess.gov/cfr/index.html>  
Note: As of 11/16/05, only OMB A-110 is available on this website in CFR Title 2.

## **NON-GRANT RELATED EFFORT ISSUES FOR EMPLOYEES PAID FROM FEDERAL FUNDS**

The Department of Health and Human Services (HHS) Office of Inspector (OIG) recently issued a report for a grant audited at Dartmouth College. The OIG auditors found that the college charged the grant \$37,780 in personnel costs for non-grant related work done by the principal investigator (PI). In this specific case, 100 percent of the PI's salary was charged to three federal grants. The PI indicated to OIG auditors that he spent ~20% of his time on non-grant activities, including instruction of a class and performance of administrative duties and committee work. The auditors also found that the college charged the grant for researchers' proposal preparation activities. Per OMB Circular A-21, proposal costs are not allowable as direct expenses to federal awards (and are normally treated as F&A costs).

Please ensure that the efforts of ISU employees who are preparing proposals, teaching classes, serving on committees and/or performing administrative duties are being appropriately charged to non-grant accounts. Employees who are 100% funded by sponsored program accounts would be most susceptible to auditors.

## **FM ACCESS FOR PIs AND OTHER ISU STAFF**

PIs and other project staff who desire access to the Financial Management System (FM) can have their departments request access by:

1) Completing the on-line "Administrative System Access Request" form at:  
<http://www.it.iastate.edu/forms/administrative/access.html>

The "ISU/ADIN" box under Service(s) should be checked.

Academic departments are provided this service free of charge and should list their 701 account as the "billing number" (ISU fund account). Other areas should list an unrestricted account as the "billing number".

Once the ADIN connection has been established—

2) Send an e-mail requesting access to FM to Carol Yanda, [cayanda@iastate.edu](mailto:cayanda@iastate.edu).

## **FOREIGN MEAL PER DIEMS, DOMESTIC MEAL EXPENSES AND BUSINESS MEETING EXPENSES**

Please review meal expenditure transactions adequately to ensure that meals are not being double charged to ISU accounts. This could potentially happen where an ISU employee is paid for a specific meal as a web travel reimbursement expense, AND the meal is also paid for as a business meeting expense through an honorarium voucher reimbursement or a p-card transaction. An employee can not receive travel reimbursement for a meal (foreign meal per diem or domestic actual meal costs) where that person's meal has been paid or will be paid as part of a business meeting expense. To proportionately reduce foreign meal per diems, you should reduce the total per diem by the applicable out-of-state meal percentage (Breakfast 20%, Lunch 30%, Dinner 50%).

## **COST SHARE – TIME FOR ANNUAL DOCUMENTATION**

It's time to document cost share again! Departments will need to respond to these requests for cost share information within 60 days of the request or the related sponsored programs account will be closed.

Cost share is "matching" funds from ISU or another party that is required by the terms of the sponsored agreement or is voluntarily committed in the proposal. Whether cost share is mandatory or voluntary, ISU needs to track the cost share incurred to date, and must adequately document the cost share achieved in the award file maintained by Sponsored Programs Accounting.

Cost share can be incurred for direct costs and/or indirect costs. Documentation for ISU's cost share includes EASE forms for salaries and benefits, transaction detail for other direct costs (e.g., a departmental statement with cost share transactions highlighted), and calculations of unrecovered indirect costs. Another form of cost share is third party in-kind contributions which are contributions from sources outside of ISU. This form of cost share should be documented on the third party's letterhead, and should indicate the cumulative dollar amount of cost share achieved, an indication of how the valuation was computed, the period of time over which cost share was incurred, and should be signed by an authorized official of the third party organization.

Documenting cost share is crucial! If at the end of a project ISU is unable to adequately document the amount of cost share pledged, ISU may be required to return a portion of the funds received back to the sponsor. The PI, administrating department and administrating unit would be responsible for covering the deficit related to any funds returned.

## **OTHER ISSUES/CONCERNS/QUESTIONS**