

GRANT COORDINATOR MEETING 5/10/07 SPONSORED PROGRAMS ACCOUNTING (SPA)

FISCAL YEAR END TASKS

It's nearing fiscal year end and the SPA accountants will be looking at the fixed priced residual accounts to determine if the account can be closed and the residual balance transferred to a 490 incentive account or a 290 departmental discretionary account. Departments may send an e-mail to their sponsored programs accountant at any time during the fiscal year to request that fixed price residual balances be transferred. SPA reviews these accounts near fiscal year end in an effort to reduce the number of 4xx accounts that must be managed in the next fiscal year.

SPA will also be looking at past term overspent accounts. Departments should clear the deficit balances on these past term overspent accounts by June 15th or SPA may take action to clear the deficit to the PI's incentive/residual accounts or departmental 701 funds. If you have an overspent account that will receive additional funding, ensure that you have communicated this to your SPA accountant. Please utilize the time between now and June 15th to take care of your department's overspent accounts.

TRAINING OPPORTUNITIES AND INFORMATION

SPA Fundamentals

Tuesday, May 22nd, 8:30-11:30 a.m. - 1155 Administrative Services Building

Sponsored Programs Accounting will be offering a 3 hour workshop - Fundamentals of Sponsored Programs Accounting. This is an introductory workshop for administrative and support staff who are new to sponsored programs at Iowa State and will provide an overview on post-award administration. *If you are currently enrolled in SPECS training, please do not enroll as this training will be a summarized version of that material.*

Topics will include: account number assignment/advanced accounts, fiscal responsibilities, award review/monitoring, compliance/allowability, understanding financial reports, costsharing/effort reporting, indirect costs/incentive program, equipment purchases, budget/program revisions, cost transfers/deficits, and account closeouts.

Due to limited seating, pre-registration is required. To register, login to AccessPlus (<https://accessplus.iastate.edu/>), and select HRS Training under the Employee tab. Enroll in the SPA - Fundamentals of Sponsored Programs Accounting class under the Courses link. Registration closes on Tuesday, May 15th, 2007.

SP WebFM Training

Tuesday, June 5th, 10:00-11:30 a.m. - 1155 Administrative Services Building
A 1-1.5 hour demonstration of Sponsored Programs financial information within WebFM will be given on June 5th. *If you are currently enrolled in SPECS training, please do not sign up as similar training was previously presented.*

To sign up for SP WebFM training, contact Kathy Emmel at kaemmel@iastate.edu or 4-2556.

SP WebFM Handout

A training manual for the Sponsored Programs information in WebFM is available at:
<http://www.controller.iastate.edu/spa/trainingmanuals.html>

NCURA Effort Reporting Workshop

Tuesday, June 12th, 8:30-11:50 a.m. – 1652 Gilman

An NCURA video will be shown on June 12th covering the topic of Effort Reporting. The broadcast workshop is a little over 3 hours in length. No registration is required for attendance.

Topics include the rules and requirements of effort reporting, definitions, relationship to cost transfers, treatment of effort during a no cost extension, challenges for the departmental administrator, and what is driving the government's concern with effort reporting.

Presenters include Richard Seligman, Laura Yeager, David Kennedy, Gunta Liders and Michele Codd.

SPECS Updates

Just a reminder that the quizzes for Sessions 1-5 will close on May 31, 2007, so please get those completed prior to that date. Sessions 6-10 will be offered during the Fall 2007 semester with Sessions 1-5 being offered again during the Spring 2008 semester. Dates and times will be announced when they are known. If you were enrolled in Sessions 1-5, you will automatically be enrolled in Sessions 6-10 unless you contact Troy Nichols (4-8945) to let us know otherwise.

We will be sending out an attendance list for Sessions 1-5 to help you keep track of which Sessions you were or were not able to attend.

NSF DESK REVIEW – IN PROGRESS

ISU received notice of a desk review from Booz Allen Hamilton in late March 2007. Booz Allen Hamilton has been contracted by NSF to perform desk reviews for the agency. The purpose of the desk review is to assess ISU's award management practices and systems related to a specific large NSF grant and the administration of NSF funding.

Information Requested – Round 1 – March 2007

- Organizational Information (Governing Board, OSPA and SPA)
- Audited Financial Statements and A-133 Audit Report
- Federal Revenue and Award Information
- Policies and Procedures – signature authority, budget revisions, budget controls, expenditure monitoring, cost transfers, expenditure approvals, effort reporting, expenditure reasonableness, allowability and appropriateness, treatment of unallowable direct and indirect costs
- Accounting Information - chart of accounts, document retention, accounting system, types of records, NSF Financial Cash Transaction Report (FCTR)
- Transaction detail for award and reconciliation to FCTR for the quarter ending 9/30/06

ISU was given one week to respond, but was granted a two week extension.

Conference Phone Call with Booz Allen Hamilton – May 2, 2007

An agenda was provided ahead of time with questions on the following areas:

- Budget Approval
- Rebudgeting
- Expenditure Approvals and Monitoring
- Cost Transfers
- Chart of Accounts
- Treatment of Unallowable Costs

ISU was asked to provide additional chart of account information, and the FCTR and transaction detail for the quarter ending 12/31/06.

SPA has received roughly 10 additional e-mails since the conference phone call, and SPA is in process of responding to these additional communications. An update on this desk review will be provided at a future grant coordinator meeting.

OIG AUDIT UPDATES

The Office of Inspector General (OIG) of the National Science Foundation (NSF) recently released its audit report for a Georgia State University audit. NSF OIG identified a significant weakness in GSU's monitoring of subawardee costs and cost sharing. GSU disagreed with the audit recommendations, noting that the recommendations were not federal requirements. Please note that subrecipient monitoring is continuing to receive increased attention from auditors.

OIG for the Department of Health and Human Services (HHS) spent one week on site at Vanderbilt University reviewing an \$800,000 Department of Defense grant. Vanderbilt was given roughly one week's notice that the auditor was coming.

The audit focused on a wide range of expenditure types, including travel, tuition, purchases from outside vendors, and cost transfers. Vanderbilt staff were pleased with the outcome, as the amount to be repaid to the federal government was only \$113.

The following items are good reminders so that you are ready for an audit at any time:

- Understand sponsor terms and conditions before incurring expenditures
- Document expenditures adequately, including justification for costs incurred
- Know that effort reporting, clerical and administrative salaries, cost transfers, office supplies and travel are areas that are most often reviewed by auditors
- Grant or contract officials have the authority to approve changes to sponsored programs agreements; program officers do not have the authority to approve changes

MISCELLANEOUS ITEMS—

Entry of Incentive Accounts on Supplemental Budgets

Occasionally SPA receives fully routed supplemental budget forms that do not indicate the 490 account numbers for incentive distribution. When the 490 account information is not entered, incentive will be distributed only to the PI listed on the supplemental budget form. Please ensure 490 incentive information is entered on these supplemental budget forms when incentive should be distributed in another manner.

Justification for Cost Transfers (CVs and retroactive EPAs)

Many thanks to those of you who are adequately justifying cost transfers on CVs and EPAs. The Justification for Transfer box **must** be completed on CVs if the TO: account is a 4xx account. SPA will return CVs to departments when this box is not completed.

Cost Transfers (CVs and retroactive EPAs) must be supported by a justification that contains an explanation of how the error occurred and a statement as to the correctness of the requested transfer. Examples of acceptable cost transfer explanations are:

- Account 4xx-xx-xx was not set up at the time the charge incurred. This transfer moves the expense to the appropriate project's account.
- Incorrect account charged due to a keying error. Account 4xx-xx-xx should have been charged. (Account numbers should be similar.)
- It was discovered during a review of departmental statements that the above expense was charged incorrectly to 4xx-xx-xx. Moving charge to the appropriate project's account.
- Account 4xx-xx-xx is overspent. Transferring excess charges to a fixed-price residual (or incentive or unrestricted funds).
- A change in administrative personnel in the department caused a delay in changing the appropriate project's account number for these intramural charges.
- Redistribution of employee's salary needed to reflect actual effort on projects.

ADIN FM and WebFM

The Financial Management System (FM) will be removed from ADIN after FY07 year end close. Please start utilizing WebFM at this time and contact your SPA accountant if questions.

OTHER ISSUES/CONCERNS/QUESTIONS