GRANT COORDINATOR MEETING 2/19/09
SPONSORED PROGRAMS ACCOUNTING (SPA)

LETTERS OF INTENT (LOIs) and VACATION PAYOUTS

LOIs for term employees often include language indicating that all unused accrued vacation will be forfeited at termination or that all accrued vacation must be taken during the term of the appointment. It was recently determined that some departments have initiated EPA actions on sponsored funding for vacation payouts of term employees with restrictive vacation payout language in their LOIs.

Vacation payouts are allowable on sponsored funding only if the LOI does NOT indicate vacation must be forfeited at termination or taken during the term of the appointment. If a department wishes to pay an employee for a vacation payout where the LOI is restrictive, then the department must utilize unrestricted sources of funding for the payout.

SPA Accountants will now contact departments to determine if the LOI has restrictive terms on the payout of accrued vacation before reviewing a vacation payout EPA action. The basic rule of charging a given 4xx account for no more than the difference between the amount of vacation earned and the amount of vacation taken while the person was appointed to the 4xx account still applies.

REVIEW OF SP FINANCIAL REPORTS FOR SUBCONTRACTS

Purchase orders are established by SPA when a fully signed subcontract agreement has been received. The Purchase Order (PO) is used to track the expenditures of the subcontractor and to ensure that the payments to the subcontractor do not exceed the awarded subcontract amount. The PO established for a subcontract will appear in the "Unpaid Commitments" column of the Sponsored Programs Financial Report in the subcontract budget lines.

Please review your SP Financial Reports to make sure that purchase orders are properly set up for your subcontracts.

Properly Established Subcontract Purchase Orders

The subcontract budget line "Unspent Balance" should equal the "Unpaid Commitments" for properly established subcontract POs. For these examples the subcontract budget line "Unspent Balance" equals the "Unpaid Commitments" after all POs for subcontracts have been established.

The following are two examples of properly established POs for subcontracts as they would appear in WebFM and on the SP Financial Report.

(1) Example of a properly established PO - No payments made yet to subcontractor:

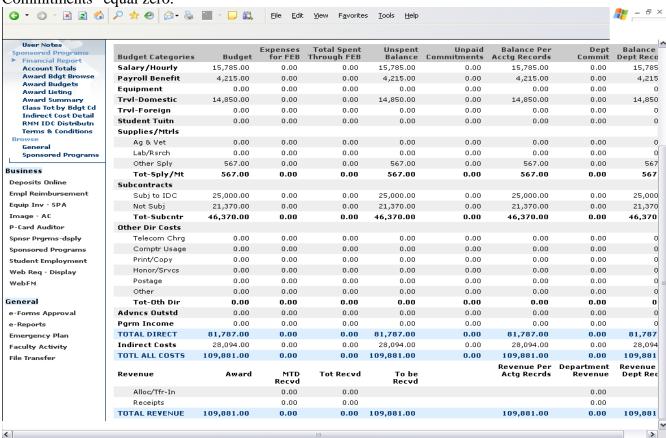| Budget Categories	Budget	Expenses for FEB	Total Spent Through FEB	Unspent Balance	Unpaid Commitments	Balance Per Acctg Records	Dept Commit	Balance Per Dept Records
Salary/Hourly	12,600.00	0.00	10,330.00	2,270.00	0.00	2,270.00	0.00	2,270.00
Payroll Benefit	3,758.00	0.00	2,162.81	1,595.19	0.00	1,595.19	0.00	1,595.19
Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trvl-Domestic	8,000.00	0.00	7,852.84	147.16	0.00	147.16	0.00	147.16
Trvl-Foreign	0.00	0.00	667.99	(667.99)	0.00	(667.99)	0.00	(667.99)
Student Tuitn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Supplies/Mtrls								
Ag & Vet	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lab/Rsrch	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Sply	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tot-Sply/Mt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subcontracts								
Subj to IDC	4,500.00	0.00	0.00	4,500.00	4,500.00	0.00	0.00	0.00
Not Subj	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tot-Subcntr	4,500.00	0.00	0.00	4,500.00	4,500.00	0.00	0.00	0.00
Other Dir Costs								
Telecom Chrg	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comptr Usage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Print/Copy	0.00	0.00	159.22	(159.22)	0.00	(159.22)	0.00	(159.22)
Honor/Srvcs	7,500.00	0.00	7,228.00	272.00	0.00	272.00	0.00	272.00
Postage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	269.20	(269.20)	0.00	(269.20)	0.00	(269.20)
Tot-Oth Dir	7,500.00	0.00	7,656.42	(156.42)	0.00	(156.42)	0.00	(156.42)
Advncs Outstd	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pgrm Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL DIRECT	36,358.00	0.00	28,670.06	7,687.94	4,500.00	3,187.94	0.00	3,187.94
Indirect Costs	3,636.00	0.00	2,867.00	769.00	0.00	769.00	0.00	769.00
TOTL ALL COSTS	39,994.00	0.00	31,537.06	8,456.94	4,500.00	3,956.94	0.00	3,956.94

Revenue	Award	MTD Recvd	Tot Recvd	To be Recvd		Revenue Per Actg Recrds	Department Revenue	Revenue Per Dept Recrds
Alloc/Tfr-In		0.00	0.00				0.00	
Receipts		0.00	39,994.00				0.00	
TOTAL REVENUE	39,994.00	0.00	39,994.00	0.00		0.00	0.00	0.00

(2) Example of a properly established PO – Payments of $98,479 made to subcontractor:

Budget Categories	Budget	Expenses for FEB	Total Spent Through FEB	Unspent Balance	Unpaid Commitments	Balance Per Acctg Records	Dept Commit	Balance Dept Reco
Salary/Hourly	200,000.00	0.00	12,652.52	187,347.48	32,517.45	154,830.03	0.00	154,830
Payroll Benefit	46,000.00	0.00	4,158.00	41,842.00	9,926.02	31,915.98	0.00	31,915
Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Trvl-Domestic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Trvl-Foreign	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Student Tuitn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Supplies/Mtrls								
Ag & Vet	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Lab/Rsrch	203,453.00	33.67	33.67	203,419.33	0.00	203,419.33	0.00	203,419
Other Sply	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Tot-Sply/Mt	203,453.00	33.67	33.67	203,419.33	0.00	203,419.33	0.00	203,419
Subcontracts								
Subj to IDC	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0
Not Subj	170,757.00	0.00	73,479.00	97,278.00	97,278.00	0.00	0.00	0
Tot-Subcntr	195,757.00	0.00	98,479.00	97,278.00	97,278.00	0.00	0.00	0
Other Dir Costs								
Telecom Chrg	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Comptr Usage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Print/Copy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Honor/Srvcs	0.00	0.00	145.34	(145.34)	0.00	(145.34)	0.00	(145
Postage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Tot-Oth Dir	0.00	0.00	145.34	(145.34)	0.00	(145.34)	0.00	(145.
Advncs Outstd	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Pgrm Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
TOTAL DIRECT	645,210.00	33.67	115,468.53	529,741.47	139,721.47	390,020.00	0.00	390,020
Indirect Costs	220,620.00	0.00	19,509.47	201,110.53	0.00	201,110.53	0.00	201,110
TOTL ALL COSTS	865,830.00	33.67	134,978.00	730,852.00	139,721.47	591,130.53	0.00	591,130

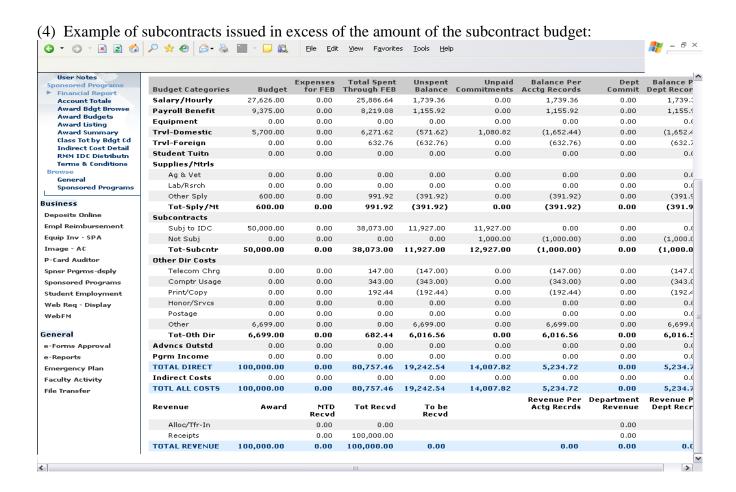| Revenue	Award	MTD Recvd	Tot Recvd	To be Recvd		Revenue Per Actg Recrds	Department Revenue	Revenue Per Dept Rec
Alloc/Tfr-In		0.00	0.00				0.00	
Receipts		0.00	432,915.00				0.00	
TOTAL REVENUE	865,830.00	0.00	432,915.00	432,915.00		432,915.00	0.00	432,915

No Purchase Orders Set Up for Subcontract(s)

If the account was just recently set up, it may take some time for a fully signed subcontract to be executed. If the account has been established for some time and a PO has not yet been established, it would be a good idea to check with OSPA on the status of the subcontract agreement.

(3) Example of a subcontract not yet set up, no purchase order has been established – "Unpaid Commitments" equal zero.

Budget Categories	Budget	Expenses for FEB	Total Spent Through FEB	Unspent Balance	Unpaid Commitments	Balance Per Acctg Records	Dept Commit	Balance Dept Reco
Salary/Hourly	15,785.00	0.00	0.00	15,785.00	0.00	15,785.00	0.00	15,785
Payroll Benefit	4,215.00	0.00	0.00	4,215.00	0.00	4,215.00	0.00	4,215
Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Trvl-Domestic	14,850.00	0.00	0.00	14,850.00	0.00	14,850.00	0.00	14,850
Trvl-Foreign	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Student Tuitn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Supplies/Mtrls								
Ag & Vet	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Lab/Rsrch	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Other Sply	567.00	0.00	0.00	567.00	0.00	567.00	0.00	567
Tot-Sply/Mt	567.00	0.00	0.00	567.00	0.00	567.00	0.00	567
Subcontracts								
Subj to IDC	25,000.00	0.00	0.00	25,000.00	0.00	25,000.00	0.00	25,000
Not Subj	21,370.00	0.00	0.00	21,370.00	0.00	21,370.00	0.00	21,370
Tot-Subcntr	46,370.00	0.00	0.00	46,370.00	0.00	46,370.00	0.00	46,370
Other Dir Costs								
Telecom Chrg	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Comptr Usage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Print/Copy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Honor/Srvcs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Postage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Tot-Oth Dir	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Advncs Outstd	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Pgrm Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
TOTAL DIRECT	81,787.00	0.00	0.00	81,787.00	0.00	81,787.00	0.00	81,787
Indirect Costs	28,094.00	0.00	0.00	28,094.00	0.00	28,094.00	0.00	28,094
TOTL ALL COSTS	109,881.00	0.00	0.00	109,881.00	0.00	109,881.00	0.00	109,881

Revenue	Award	MTD Recvd	Tot Recvd	To be Recvd		Revenue Per Acctg Recrds	Department Revenue	Revenue Dept Rec
Alloc/Tfr-In		0.00	0.00				0.00	
Receipts		0.00	0.00				0.00	
TOTAL REVENUE	109,881.00	0.00	0.00	109,881.00		109,881.00	0.00	109,881

Left navigation panel:
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Spnsr Prgrms-dsply
Sponsored Programs
Student Employment
Web Req - Display
WebFM

General
e-Forms Approval
e-Reports
Emergency Plan
Faculty Activity
File Transfer

Purchase Orders Set Up in Excess of Subcontract Budget

If the subcontract "Unpaid Commitments" are greater than the "Unspent Balance," subcontracts have been issued in excess of the subcontract budget lines. Note: The "Balance Per Acctg Records" is a negative figure. In this case you should contact your SPA Accountant, as a rebudget or subcontract amendment may need to be done.

(4) Example of subcontracts issued in excess of the amount of the subcontract budget:

Budget Categories	Budget	Expenses for FEB	Total Spent Through FEB	Unspent Balance	Unpaid Commitments	Balance Per Acctg Records	Dept Commit	Balance P Dept Recor
Salary/Hourly	27,626.00	0.00	25,886.64	1,739.36	0.00	1,739.36	0.00	1,739.3
Payroll Benefit	9,375.00	0.00	8,219.08	1,155.92	0.00	1,155.92	0.00	1,155.9
Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Trvl-Domestic	5,700.00	0.00	6,271.62	(571.62)	1,080.82	(1,652.44)	0.00	(1,652.4
Trvl-Foreign	0.00	0.00	632.76	(632.76)	0.00	(632.76)	0.00	(632.7
Student Tuitn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Supplies/Mtrls								
Ag & Vet	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Lab/Rsrch	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Other Sply	600.00	0.00	991.92	(391.92)	0.00	(391.92)	0.00	(391.9
Tot-Sply/Mt	600.00	0.00	991.92	(391.92)	0.00	(391.92)	0.00	(391.9
Subcontracts								
Subj to IDC	50,000.00	0.00	38,073.00	11,927.00	11,927.00	0.00	0.00	0.0
Not Subj	0.00	0.00	0.00	0.00	1,000.00	(1,000.00)	0.00	(1,000.0
Tot-Subcntr	50,000.00	0.00	38,073.00	11,927.00	12,927.00	(1,000.00)	0.00	(1,000.0
Other Dir Costs								
Telecom Chrg	0.00	0.00	147.00	(147.00)	0.00	(147.00)	0.00	(147.0
Comptr Usage	0.00	0.00	343.00	(343.00)	0.00	(343.00)	0.00	(343.0
Print/Copy	0.00	0.00	192.44	(192.44)	0.00	(192.44)	0.00	(192.4
Honor/Srvcs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Postage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Other	6,699.00	0.00	0.00	6,699.00	0.00	6,699.00	0.00	6,699.0
Tot-Oth Dir	6,699.00	0.00	682.44	6,016.56	0.00	6,016.56	0.00	6,016.5
Advncs Outstd	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Pgrm Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
TOTAL DIRECT	100,000.00	0.00	80,757.46	19,242.54	14,007.82	5,234.72	0.00	5,234.7
Indirect Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
TOTL ALL COSTS	100,000.00	0.00	80,757.46	19,242.54	14,007.82	5,234.72	0.00	5,234.7

Revenue	Award	MTD Recvd	Tot Recvd	To be Recvd		Revenue Per Actg Recrds	Department Revenue	Revenue P Dept Recr
Alloc/Tfr-In		0.00	0.00				0.00	
Receipts		0.00	100,000.00				0.00	
TOTAL REVENUE	100,000.00	0.00	100,000.00	0.00		0.00	0.00	0.0

YALE UNIVERSITY – DEPARTMENT OF JUSTICE $7.6M Settlement

Grants awarded to Yale University between January 2000 and December 2006 were reviewed by 9 Federal agencies. Yale provided more than a million pages of documents in responding to government requests.

Investigations concentrated on two types of charges –
- Cost transfers
  - Costs charged that were not "allocable" to that particular federal grant
  - Inappropriate transfers occurred when the grant was nearing its end date and unspent funds remained
- Salary Charges
  - Summer salaries were charged by PIs at 100%
  - Researchers expended effort on activities other than those of the grant they were receiving pay from
  - It was alleged by the Feds that the reason the grants were charged summer salaries was because the researchers would not have otherwise been paid during that time period

Yale agreed to pay a settlement of $7,600,000 (half of which was penalties for the false claims), but denied liability as to false claims or statements.

WebFM SPONSORED PROGRAMS TRAINING

Sponsored Programs Accounting is now offering a hands-on workshop providing an overview of the functionality of ISU's online Sponsored Programs information found within the Financial Management System (WebFM). Those interested can enroll through the HRS Training option found under the Employee tab of AccessPlus. Screens reviewed will include:
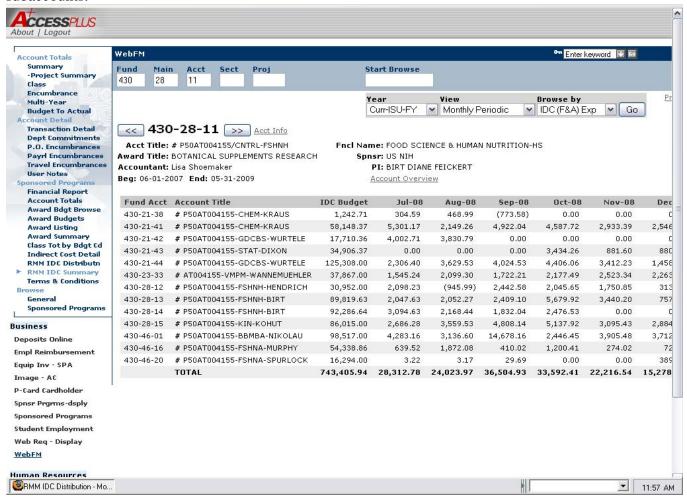
- Financial Report
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- Award Budgets
- Award Listing

- Award Summary
- Class Tot by Bdgt Cd
- Indirect Cost Detail
- RMM IDC Distributn
- Terms & Conditions

WebFM- RMM IDC SUMMARY SCREENS

Three new screens have been developed for displaying summary information on RMM IDC Distributions.

The first screen shows **indirect (F&A) costs** that have posted to an admin account and any subaccounts:

The second screen shows **incentive distributions** since the beginning of FY09 for an award:

The third screen displays **budget home distributions** since the beginning of FY09 for an award:

ISU IMPLEMENTATION OF NSF REVISION TO PI/SENIOR PROJECT PERSONNEL SALARY POLICY

The National Science Foundation (NSF) has issued a revised Proposal and Award Policies and Procedures Guide (PAPPG) effective for proposals submitted on or after January 5, 2009. The section on Salaries and Wages has undergone a major revision of NSF's salary reimbursement policy. As a general policy, NSF will now limit salary compensation for PIs and senior project personnel to no more than two months of their regular salary **in any one year.** This limit includes salary compensation received from all NSF-funded grants, including flow-through agreements. This change moves away from the concept of summer salary and allows for reimbursement of two months of salary per year whenever appropriate during the year. Salary should be charged as actual effort is incurred. NSF does allow for exceptions to the two-month rule, but any compensation exceeding this limit must be disclosed in the proposal budget with appropriate justification and be specifically approved in the award notice.

ISU will use the state fiscal year (July – June) **as our institution's definition of "any one year."** All PIs and senior project personnel will be held to this same annual period for determining compliance with NSF's policy.

MISCELLANEOUS

e-Report Update – All those with access to WebFM should now have access to SP financial reports, departmental statements, and project statements in e-Reports. e-Reports is available in AccessPlus under the uBusiness tab.

Intramural Pre-Billing – A few intramural selling agencies have contacted SPA with inquiries on pre-billing of costs to sponsored funding. All charges posted to cost-reimburseable accounts during the award period for services or items that have not been received during the award period are NOT allowable.

Other/Questions for SPA

Next Meeting – May 21, 2009, 1:15 pm, Gallery, MU

E-VERIFY UPDATE

The Federal government has postponed implementation of E-Verify until May 21, 2009 at the earliest. Previously, the Federal government had issued a final rule requiring federal contracting officers to include a clause requiring contractors to use the Department of Homeland Security's E-verify system to verify the eligibility of certain employees to work in the U.S. Universities may elect to verify only employees assigned to federal contracts (this requirement does not apply to grants and cooperative agreements). The clause also requires prime contractors to include an E-Verify clause in subcontracts for services or construction. If the implementation is not further delayed, more information will be forthcoming at the May 2009 Grant Coordinator meeting.