**GRANT COORDINATOR MEETING 11/15/12**

**SPONSORED PROGRAMS ACCOUNTING (SPA)**

**Electronic Personnel Actions (EPAs) for Exact Dollar Amount of Salary and Benefits: Request, Information and Feedback**

The Payroll Office is experiencing a huge increase in the number of EPAs for exact dollar amount of salary and benefits. The Payroll Office has requested that EPAs for exact dollar amount of salary and benefits be used only when it is necessary, as these EPAs are very labor intensive for their office to process. EPAs for an exact salary amount, where related benefits will follow, are not an issue. Departments are being asked to reduce the number of EPAs initiated for exact dollar amount of salary and benefits.

Sponsored Programs Accounting (SPA) will cover over-expenditures up to $25 on 4xx sponsored program accounts. With this being the case, it is hoped that departments can estimate the amount of salary and benefits that will be charged to an account, and process EPAs that only specify the amount of salary to be charged to accounts.

Effort incurred by an employee on federal and state sponsored projects during the period salary is charged must equal or exceed the percentage of salary paid from federal and state sponsored project accounts during that period for that employee.

**Procedure to calculate the amount of salary for retroactive payroll actions:**

1. Determine the percentage of effort and period when effort was incurred.
2. Determine the salary and benefits cost for the period effort was incurred. The easiest way to determine the monthly amount for salary and monthly amount for benefits is to use the Payroll Register (PR or RG) in ADIN. The TD function will indicate the gross salary cost and the ISU total (salary and benefits) cost for a given month. Subtracting the gross salary from the ISU total will give you the total benefits cost for that month. If the effort period exceeds one month, add like costs together to give you a total gross salary cost for the period, a total benefits cost for the period, and an ISU total (salary and benefits) cost for the period.
3. Take the effort percentage from 1. and multiply it by the ISU total (salary and benefits) cost for the period. This is the maximum amount that should be charged to federal and state sponsored project accounts.
4. Determine if funding exists to charge the maximum amount. If yes, take the effort percentage from 1. and multiply it by the total gross salary cost for the period to determine the amount of salary that should be used for the CF (Change in Funding) EPA action for that period.
5. If the sponsored project account does not have enough funding to charge the maximum amount (which equals the incurred effort), then determine the amount of salary and benefits that can be charged.
6. Determine the amount of salary to be used for the CF (Change in Funding) EPA action for that period by taking the amount that can be charged times the ratio of:

Total Gross Salary Cost for the period

ISU Total (salary and benefits) Cost for the period

It is much easier to determine salary costs when working with entire months. If the effort period is less than one month, then you need to calculate the salary amount by using the number of days worked divided by the number of workdays in the month (including holidays). To obtain access to the Payroll Register, please e-mail Doug Anderson at [djander@iastate.edu](mailto:djander@iastate.edu).

**Procedure to calculate the amount of salary for future payroll actions:**

1. Determine the estimated percentage of effort and period in which effort will be incurred.
2. Determine the encumbered salary cost for the period effort will be incurred. The easiest way to determine the monthly amount for encumbered salary cost is to use the Payroll Commitments (PC) system in ADIN. If the effort period exceeds one month, add salary amounts together to determine the total encumbered salary for the period.
3. Determine the estimated benefits for the period. The Payroll Office uses the previous month’s actual benefits, with a few adjustments for variances in benefits to determine an estimated monthly benefit amount. See below\*\*. If the effort period exceeds one month, add the benefit amounts together to give you a total estimated benefits for the period.
4. Add total encumbered salary for the period and total estimated benefits for the period to give you an estimated ISU total (salary and benefits) cost for the period.
5. Take the effort percentage from 1 and multiply it by the estimated ISU total (salary and benefits) cost for the period. This is the maximum amount that should be charged to federal and state sponsored project accounts.
6. Determine if funding exists to charge the maximum amount. If yes, take the effort percentage from 1. and multiply it by the total salary cost for the period to determine the amount of salary that should be used for the CF (Change in Funding) EPA action for that period.
7. If the sponsored project account does not have enough funding to charge the maximum amount (which equals the projected effort), then determine the amount that can be charged.
8. Determine the amount of salary that should be used for the CF (Change in Funding) EPA action for that period by taking the total amount that can be charged times the ratio of:

Total Encumbered Salary for the period

Estimated ISU Total (salary and benefits) Cost for the period

**\*\*Variances in Benefits Considerations:**

1. Unemployment of 1.25% is charged on the first $7,200 of salary for a calendar year.

(Maximum of $90.00)

1. Workers’ Comp of 1.55% is charged on the first $20,000 of salary for a calendar year.

(Maximum of $310.00)

1. FICA – OASDI (Old Age, Survivors, and Disability Insurance) of 6.2% is charged on the first $110,100 of salary for calendar year 2012, and 6.2% of the first $113,700 for calendar year 2013.
2. ISU Plan changes and State of Iowa Plan changes for Medical, Dental and Life Insurance take effect in January each year.
3. B-base benefits for May 16 to August 15 equal 17.65% for faculty with TIAA-CREF, and equal 16.32% for faculty with IPERS, as all other benefits are charged during the academic year. This assumes that over $20,000 in salary has been incurred previously for the calendar year.

Reminder: for federal sourced accounts, retroactive EPAs must be initiated within 90 days of the posted payroll transaction date.

These procedures do not need to be used if you know that adequate funding exists to support the actual effort incurred or the projected effort to be incurred.

**Example:**

Dr. Cardinal is B-base and has an annual salary of $90,000 ($10,000 per month). Her USDA award will be terminating at the end of December 2012, and she plans to work 20% of her time on this award in November and December. All of her salary is currently being paid from a 704 account.

**To calculate the amount of salary for Dr. Cardinal’s future payroll actions:**

1. Estimated Percentage of Effort per Dr. Cardinal: 20%

Effort Period per Dr. Cardinal: November 2012 and December 2012

1. Total Encumbered Salary for the Period:

Per Payroll Commitment for FY13, November 2012 + December 2012 = $20,000

1. Total Estimated Benefits for the Period:

Per Payroll Register, October 2012 benefit cost = ISU Total – Gross = $1,800/mo.

Estimated benefit cost for period = $1,800 per month \* 2 months = $3,600

1. Estimated ISU Total (salary and benefit) Cost = $20,000 + $3,600 = $23,600
2. Maximum amount to charge USDA award: $23,600 \* 20% effort = $4,720
3. Funding does not exist to charge the maximum amount.
4. Funding available on USDA award: $4,000
5. Amount of Salary: $4,000 \* ($20,000/$23,600) = $3,390

**To process the CF (Change Funding Source) action:**

1. Enter CF as the function in the Payroll Commitments System in ADIN.
2. Enter the UID for the employee, and the “From” fund account in the top line. This will reduce the salary encumbrance on this “From” account.
3. Enter the “To” fund account in the body. This is the account that you wish to charge salary.
4. Enter the Start Date and End Date (11/01/12 and 12/31/12).
5. Determine the Department Annual Salary to enter (for the “To” account):
   1. If period is for full months-

Amount of Salary / # of Months in Period \* # of Months in Appointment Paybase ($3,390/2 months\*9 months for B base = $15,255)

* 1. If period is less than a full month-

Amount of Salary / # of Workdays in Period \* # of Workdays in Month \* # of Months in Appointment Paybase (A, P, E = 12 months; B =9 months)

1. Enter TE as the function to review salary changes.

A separate CF entry is needed for each “From” fund account prior to routing.

It is not appropriate to charge 100% of an employee’s salary to a federal or state sponsored project for a period unless that employee worked only on that project during that entire period.

It would also not be appropriate to transfer an exact amount of salary and benefits from a federal or state sponsored project to another federal or state sponsored project without justification for a proper allocation method noted in the special conditions. If the “From” account is an unrestricted account, such as a 490 or 704 fund account, and the effort on the “To” account meets or exceeds the amount transferred, then the EPA action can be justified.

We appreciate your willingness to work with the Payroll Office and SPA on this issue. If you have questions on how to apply this method, please contact Sue Hudson in the Payroll Office at 4-0455.

**eData FM Demo: SPA Portal**

SPA is pleased to offer additional eData demonstrations in December!  The format will be similar to prior demos where the same presentation will be given at four different times to give a preview of the new Kuali reports.  The demo will include the SPA Object Portal (class code reports), the Labor Portal (personnel reports) and updates that have been made to the SPA Financial Portal (WebFM replacement).  All Grant Coordinators are welcome to attend. No prior experience with eData or Kuali is necessary as this will be a demo session. eData training will be offered at a later time.

Monday, December 17th - 9:30 a.m.-11:00 a.m.

Tuesday, December 18th - 9:30 a.m.-11:00 a.m.

Wednesday, December 19th - 9:30 a.m.-11:00 a.m.

Friday, December 21st - 9:30 a.m.-11:00 a.m.

To sign up, please to go [www.SignUpGenius.com/go/4090C4BA5AC29A75-edata](http://www.SignUpGenius.com/go/4090C4BA5AC29A75-edata).

**SPECS Update**

Due to the implementation of Kuali Financial Systems (KFS), Kuali Coeus (KC), and eData OSPA and SPA have decided to not offer SPECS for calendar year 2013. This will allow both offices additional time to focus on the system implementation and the ability to update current SPECS materials with information and screen shots from the new systems.

SPA does have the On the SPOT (Sponsored Programs Online Training) and a Sponsored Programs Training manual on the SPA website at [www.controller.iastate.edu/spa](http://www.controller.iastate.edu/spa).

**Research.gov Webinars**

The National Science Foundation (NSF) is hosting a series of webinars for people interested in learning more about Research.gov. Each webinar will review current and upcoming services and tolls for the research community including:

* The transition of annual, final and interim project reports to Research.gov
* Access services such as InCommon and Single-Sign On with FastLane

Upcoming Webinars include:

* November 16th – How Can Research.gov Help Me?
* January 16th – Project Reports on Research.gov: What’s In It for Me?

If you would like to participate in a Research.gov webinar, contact [webinars@research.gov](mailto:webinars@research.gov).

**Professional Development Opportunities**

[NCURA Financial Research Administration (FRA) Conference](http://collaborate.ncura.edu/FRA14/Home/) – New Orleans, LA - March 10-12, 2013

[NCURA Pre-Award Research Administration Conference](http://collaborate.ncura.edu/PRA7/Home/) – New Orleans, LA - March 13-15, 2013

[NCURA Region IV Spring Meeting](http://www.ncuraregioniv.com/conferences.html) – Milwaukee, WI - April 14-17, 2013

[SRA Northeast/Midwest Section Meeting](http://www.srainternational.org/sra03/template/tntbNE13.cfm?id=5323), Providence, RI - May 5-8, 2013