

**GRANT COORDINATOR MEETING 5/12/05
SPONSORED PROGRAMS ACCOUNTING**

REVENUE CODES FOR 4xx ACCOUNTS

GENERAL LEDGER REVENUE CODES
ACCOUNT TITLE SYSTEM (AT)

Rev Code	Description
01*	Tuition & Fees
01110	T&F-Resident Registration
01120	T&F-Nonresident Registration
01210	T&F-General Fees
01220	T&F-Application Fees
01230	T&F-Special Course Fees
01240	T&F-Misc Fees
01250	T&F-Off Campus Credit Fees
01260	T&F-Study Abroad
02*	Federal Appropriations
02010	Federal Appropriations
03*	State Appropriations
03010	State Appropriations
03050	State Appropriations-Tuition Replacement
04*	Federal Contracts & Grants
04010	FCG-Dept of Energy
04090	FCG-US Bureau of Mines
04100	FCG-USDA
04110	FCG-USDA Formula Funds
04120	FCG-USDA-Non LOC
04130	FCG-USDA-AES Special Res-LOC
04140	FCG-USDA-McIntire Stennis
04150	FCG-USDA-Hatch Act
04160	FCG-USDA-CSRS-LOC
04170	FCG-USDA-Ext-LOC-Special Projects
04180	FCG-USDA-Ext Formula Funds
04190	FCG-USDA-USDA/ARS-LOC
04200	FCG-US NSF
04210	FCG-US Dept of Defense
04220	FCG-US NASA
04240	FCG-US Dept of Interior
04250	FCG-US Dept of Interior-ISWRRI
04260	FCG-US Dept of Commerce
04270	FCG-US AID
04280	FCG-Miscellaneous

Rev Code	Description
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04290	FCG-US EPA
04300	FCG-US HHS
04310	FCG-US Dept of Education Misc
04320	FCG-US Dept of Education
04321	FCG-US Dept of Education (non-exchange)
04330	FCG-US Dept of State
04350	FCG-US Small Business Administration
04360	FCG-US Dept of Transportation
04370	FCG-Federal Aviation Administration

05*	State Contracts & Grants
05700	Iowa Dept of Human Services
05710	Iowa Dept of Agriculture
05720	Iowa Dept of Education
05730	Iowa Dept of Natural Resources
05740	Iowa Dept of Transportation
05750	Iowa Regents Institutions
05760	Iowa Arts Council
05780	Iowa-Misc State Agencies
05800	Iowa Lottery-Biotechnology
05810	IDED-Iowa Lottery

06*	Local Government Contracts & Grants
06010	Local Government Contracts & Grants

07*	Non-Governmental Contracts & Grants
07010	Industry
07011	Industry (non-exchange)
07020	Federal Flow-Thru
07030	Non-Profit Organizations
07031	Non-Profit Organizations (non-exchange)
07110	ISU Foundation
07111	ISU Foundation (non-exchange)
07120	ISU Research Foundation
07121	ISU Research Foundation (non-exchange)
07130	Other Institutional-ISU
07131	Other Institutional-ISU (non-exchange)
07210	Foreign Government
07990	Miscellaneous Non-Governmental
07991	Miscellaneous Non-Governmental (non-exchange)

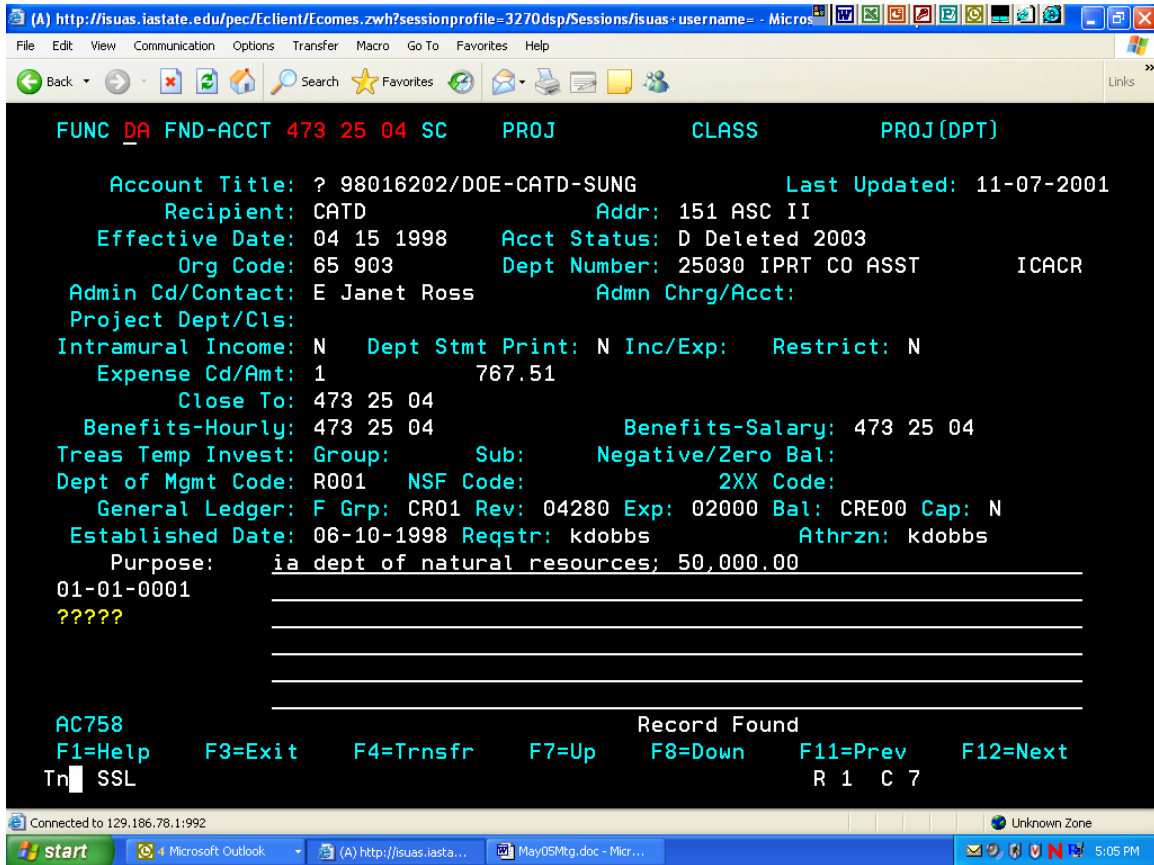
08*	Investment Income
08011	Endowment Earnings
08021	Treasurer's Temporary Investment Earnings
08031	Other Investment Income
08041	Unrealized Gains/Losses on Investments

RevCode	Description
09*	Sales & Services of Educational Activities
09010	Sales & Services of Educational Activities
09020	Sales & Services Study Abroad
10*	Sales & Services of Auxiliary Enterprises
10010	Sales & Services of Auxiliary Enterprises
10011	Sales & Services of Auxiliary Enterprises (nonoperating)
11*	Other Sources (Current Fund)
11010	Stores, Services & Revolving
11020	Restricted Deposits
11040	Sales & Services-Misc (102, 103, 70X funds)
11110	Sales & Services-Administrative Data Processing
11120	Sales & Services-Printing Services
11130	Sales & Services-Recreational Services
11140	Sales & Services-Telecommunications
11150	Sales & Services-Utility Enterprise
17*	Gifts
17011	Industry
17031	Non-Profit Organizations
17111	ISU Foundation
17121	ISU Research Foundation
17131	Other Institutional (ISU)
17211	Foreign Government
17991	Miscellaneous Gifts
20010	Revenue Offset to Institutional Support Expenses
21010	Overhead Income
30010	Loan Fund Revenues
40010	Endowment Fund Revenues
50010	Plant Fund Revenues
60010	Agency Fund Revenues

Note: Any Revenue Code ending in "1" represents revenue from a non-exchange transaction or nonoperating income.

Bolded Revenue Codes are used in the 4xx fund series.

All 4xx accounts that are in the fund series 401, 404, and 409 - 439 are federally funded accounts. In addition, some state sponsored accounts which are set up in the fund series 470 - 478 and some 400 accounts may also have a federal revenue code if the original source of the funds is federal. See example below. Any account that has a revenue code starting with 04 is a federally funded account, and must follow the ISU Sponsored Programs Costing Policy. A revenue code of 04280 designates a federal flow thru account or a miscellaneous federal agency account.



REBUDGETING BASICS

Rebudgeting is simply an approved shift of dollars from one budgeted line item to another. If the source of funds is federal, then it should be assumed there are budget restrictions. Federal awards generally require prior approval--that is, approval of the expense prior to its being incurred. Inclusion of an approved budget in the Sponsor's award document constitutes prior approval. If the expense has not been identified in the sponsor-approved budget, then approval must often be obtained. For federal awards, there are generally two scenarios where approvals will be required. These are:

Line Item Restrictions - Virtually all federal awards contain line item restrictions on equipment, trainee allowances, and subcontracts. As such, these items must be expressly authorized in writing in the award document.

Budget Deviations - Many awards require prior approval if a cost category will exceed its budget by a set percentage of the line item budget or of the total budget. Per OMB Circular A-110, the federal agency may restrict the transfer of funds among direct cost categories if the federal awarded amount exceeds \$100,000 and the cumulative amount of the transfers exceeds 10% of the total budget. This means that the expenses for a specific cost category can deviate by up to 10% of the total budget. In such cases, rebudgeting is necessary after the specified percentage of deviation is exceeded or is expected to be exceeded. These provisions are normally outlined in the award document, terms and conditions, and/or grant handbooks. Some of the state agency award terms are very restrictive.

It is imperative that persons in the department who are assigned fiscal responsibility have a copy of the award document, review its terms and conditions, and are knowledgeable of the OMB Circulars. The ultimate responsibility for appropriateness of expenditures rests with the PI, department, and college/unit. Sponsored Programs Financial Reports should be used as a monitoring tool to assist in determining if rebudgeting is needed.

Rebudgeting Procedures

While procedures for rebudgeting vary from sponsor to sponsor, two basic methods are used. The procedure to be used is normally set forth in the award documents. However, if it is not, contact Sponsored Programs Accounting to determine which method applies.

- ◆ The **sponsor** must themselves approve the rebudgeting request, or
- ◆ The **Director of the Office of Sponsored Programs Administration (OSPA)** approves the rebudgeting request for the sponsor under prearranged institutional expanded authorities. If the rebudget request changes the scope of work, then approval from the sponsor will be required.

A link to the rebudget request form is available under the Award Process section of OSPA's website at: <http://www.ospa.iastate.edu/AwardProcess/>

The rebudgeting request is two-sided. If one budgeted line item is to be increased, another budgeted line item must be decreased. Each rebudgeting request should contain the following information:

- The dollar amount by which budgeted line items are to be increased or decreased, taking into consideration indirect costs as well as direct costs, if the sponsor allows indirect to be rebudgeted.
- The items involved in the request. For example, a piece of equipment desired.
- An explanation specifying the need and/or reasons justifying the budget revisions and its relevance to the project.

Please use one of the following methods to submit your completed rebudgeting request to OSPA:

- (1) E-mail as an attachment to tra@iastate.edu
- (2) Fax to 294-8000, Attn: Tammy Polaski
- (3) Print and mail or bring to 1138 Pearson Hall

Note: While indirect costs may be rebudgeted to direct costs (e.g., from supplies and indirect to equipment), currently it is Iowa State's policy not to rebudget from direct costs to indirect costs after an award is executed. So if rebudgeting is done from equipment to supplies, then no additional indirect costs will need to be applied.

WEB REQUISITIONS- CHANGES TO FUND ACCOUNT SPLITS

SPA has been recently asked to approve a few older cost transfers (corrections vouchers) for equipment items where changes were made to fund account splits after the web requisition was initiated. To prevent future occurrences, departments should be aware of the following:

- SPA approval is required for equipment items purchased on federal, federal flow-thru, and state 4xx accounts (accounts with revenue codes 04xxx or 05xxx). SPA is added as an approver by the verifier or by the purchasing agent.
- SPA reviews the fund account split information on the additional information screen, and not the initial approval screen.
- Per Cory Harms, ISU Purchasing- Most changes made to fund account splits prior to the Purchase Order being printed are made by departments. A few changes are made by ISU Purchasing based on requests from departments.
- There is no tracking of changes made to fund account splits before the Purchase Order is printed.
- In the near future, departments will be able to make changes to fund account splits on their own after the Purchase Order is printed. Currently, requests to change fund account splits on Purchase Orders are handled by ISU Purchasing.
- The Purchase Order is the final document. Departments should review Purchase Order information to ensure the fund account splits are as desired. ISU Purchasing is most concerned with the PO grand total.

PARTICIPANT INCENTIVES FOR HUMAN SUBJECTS

Various types of participant incentives are used for human subjects. These may include cash payments, gifts, gift certificates, lottery drawings for a prize, and refreshments. All incentives to be used for human subjects are to be identified on the ISU Human Subject Research Form.

These types of expenditures are normally considered unallowable, per OMB Circular A-21 and ISU institutional policies. Participant incentive costs must be anticipated and detailed in the budget and budget justification for ISU to consider these costs allowable and approved by the sponsor. Costs not specifically identified may be considered unallowable.

In the case of awards without budgets, e.g. NIH modular grants, participant incentives are not specified in a sponsor approved budget. The ISU Human Subject Research Form may then be used to determine if these expenses were anticipated and allowable.

There are two ISU class codes that can be used for participant incentive transactions:

1. Class Code 332-00 SUBJECT FEES
Sponsored Program Budget Code (SPBC): HS Honoraria/Services
This classification is used to record payments made to individuals who participate in research studies, serve as models or perform similar services.
2. Class Code 683-00 PARTICIPANT INCENTIVES
Sponsored Program Budget Code (SPBC): OO Other Other
This classification is used to record payments made to individuals who participate in research studies or clinical trials. This classification is also used for costs to purchase incentives given to individuals who participate in research studies or clinical trials.

For payments made to individuals, choose the class code with the SPBC that matches the budget category in the proposal.

RECENT EFFORT CERTIFICATION ISSUES

Effort reporting issues continue to be an audit finding for many U.S. colleges and universities. In some cases, the university has been required to return millions of dollars to federal agencies. NIH recently spoke in a conference call and addressed the following issues:

- Importance of consistent treatment of costs, regardless of funding source
- For NIH awards, the grantee is required to notify NIH in writing if the PI or other key personnel named in the notice of grant award will withdraw from the project entirely, be absent from the project during any continuous period of 3 months or more, or reduce time devoted to the project by 25 percent or more from the level that was approved at the time of the award (for example, a proposed change from 40 percent effort to 30 percent or less)
- Notification to NIH in writing is always required if the effort of key personnel decreases by 25 percent or more, even in the no-cost extension period

- There is an unwritten but widely followed policy that a change in an employee's effort of five percent or less would not require an adjustment to their effort certification
- A measurable contribution of key personnel is defined as one percent or greater effort
- Salary cost transfers from one project to another or from one competitive segment to the next to cover cost overruns are not allowable
- Cost transfers should be detected within a reasonable time frame (untimely discovery of errors or frequent costs transfers could indicate poor internal controls)

HHS OIG PILOT AUDITS

The Office of Inspector General (OIG) of the Department of Health and Human Services (HHS) has published a 2005 work plan for several pilot audit areas. One university is to be initially selected for each area, with the possibility of HHS expanding the audit to other universities based on findings in the initial pilot audit.

HHS identified the following pilot audit areas:

- **Direct Charging of Clerical and Administrative Salaries**
To determine whether clerical and administrative salaries are being direct charged in accordance with the exceptions set forth in OMB Circular A-21
- **Cost Transfers**
To determine if cost transfers are made in accordance within agency guidelines, review of the institution's cost transfer policy, testing of cost transfers, and review of cost transfer explanations and documentation
- **Effort**
To compare effort committed with charged effort, to determine if the institution's effort reporting system is in compliance with requirements, and to review if differences are large enough to affect the scope of the project
- **Subrecipient Monitoring**
To determine if someone with first-hand knowledge of the scientific aspects of the project is reviewing the progress and ensuring that payments are in line with the progress
- **Voluntary Committed Cost Share**
To determine if proposed cost share commitments are being fulfilled during the life of the project, to review allowability of cost share incurred, and to determine if OMB Circular A-110 requirements for cost share are being met

OTHER ISSUES/CONCERNS/QUESTIONS