

GRANT COORDINATOR MEETING 12/3/09 SPONSORED PROGRAMS ACCOUNTING (SPA)

IOWA ENERGY CENTER (IEC) – TUITION POLICY AND OTHER AWARD TERMS (Keith Kutz)

IEC Grants Manual and FY10 Tuition Policy available at:
<http://www.energy.iastate.edu/Funding/gp-resources.htm>

SPONSORED PROGRAMS FINANCIAL REPORTS – e-Reports Demo

Accounting statements from the Controller's Department will be paperless starting with the November 2009 statements. The Sponsored Programs Financial Report (SPFR) is one of these statements and it will be available in e-Reports under the uBusiness tab in AccessPlus. All users with access to WebFM will also have access to e-Reports. All accounting statements in e-Reports will be available for 10 years.

The SPFRs are located under the SPA-Financial heading. There are four different groupings of reports:

1. SPA-Financial Report by Acct
This grouping is for one account for a given month.
2. SPA-Financial Report by Actnt
This grouping is for all accounts assigned to a specific accountant for a given month.
3. SPA-Financial Report by Dept
This grouping is for all accounts with the same department code abbreviation for a given month.
4. SPA-Financial Report by PI
This grouping is for all accounts with the same PI for a given month.

ACCESS TO WebFM FOR PIs

Except for Emeritus faculty members, all PIs now have access to WebFM and e-Reports. A report will be generated monthly that indicates PIs without access to WebFM. SPA will set up access to WebFM for these PIs each month. If you have Emeritus faculty members that need access to WebFM and e-Reports, please e-mail Lisa Shoemaker or Becky Musselman to request access.

Please notify the PIs in your departments that they no longer will be receiving paper copies of Sponsored Programs Financial Reports, and that this information is available to them in AccessPlus. A guide to the Sponsored Programs screens in WebFM is available on the SPA website under Training Manuals at: <http://www.controller.iastate.edu/spa/trainingmanuals.html>

“CF” PERSONNEL ACTIONS – FUNDING SOURCE CHANGES – REQUEST FROM PAYROLL OFFICE

The Payroll Office has asked that departments limit their use of requesting exact dollar amounts (i.e. salary and benefits must equal \$x,xxx) for changes in personnel actions. Use of exact dollar amounts for an employee’s payroll expenditures during the life of an award creates unnecessary administrative burden. The Payroll Office manually reviews 200 – 300 payroll transactions each month for exact dollar amounts. Whenever possible, please limit the use of exact dollar amount actions for an employee to periods of three months or less, and only for payroll expenditures occurring during the last 90 days of an award.

USE OF PI INCENTIVE ACCOUNTS (490 Accounts)

Executive Vice President and Provost Hoffman issued a memo on 11/2/09 regarding the use of incentive accounts. This memo is attached for your reference.

This memo was issued to Deans and Vice Presidents and was a reminder that all expenditures from incentive accounts are subject to the same policies, rules and regulations as expenditures from other types of university funds. Expenditures charged to all university accounts must be both allowable and appropriate. Each expenditure must have a legitimate university business purpose. The department and college are responsible for documenting the business purpose and determining whether an expenditure is allowable and appropriate.

Incentive accounts may not be used for personal expenditures. Purchases from incentive accounts are the property of the university, and not the personal property of the PI.

There have been several instances where incentive accounts were used inappropriately for hospitality-type expenses. Please ensure that all hospitality expenditures adhere to ISU’s Guidelines on Hospitality. These guidelines are available on the Controller’s Department website under the Allowability and Appropriateness heading at:
<http://www.controller.iastate.edu/accounting/allowability.htm>

OPEN SKIES AGREEMENT EXCEPTIONS TO THE FLY AMERICA ACT

The Federal Travel Regulations were amended on January 15, 2009 to reflect the Open Skies exceptions to the Fly America Act for all air travel paid for with federal funds. The Fly America Act requires the use of US flag carriers for air travel to, from, between, or within a country other than the United States. Use of foreign-flag carriers is only permissible under certain circumstances, and ISU policy requires the completion of the “Certification of Unavailability of US Flag Carrier” form when a foreign flag carrier is used. See:
<http://www.controller.iastate.edu/travelinformation/airfarerestrictions.htm>

An exception to the Fly American Act exists when a country has entered into an Open Skies Agreement with the United States. The amendment allows for air transportation to be provided under a bilateral or multilateral air transportation agreement to which the United States and the foreign country are parties, provided that the US Department of Transportation has determined the agreement meets the requirements of the Fly America Act. Open Skies Agreements currently exist with the European Union, Australia and Switzerland. Please refer to the GSA website for current Open Skies Agreement information at: <http://www.gsa.gov/openskies>

However, there are exceptions to the exception. If the air travel is funded by the US Department of Defense, then foreign carriers of the Open Skies countries may not be used. If the air transportation is between points for which a City-Pair contract is in effect, then foreign carriers of the Open Skies countries may not be used. The GSA website of airline city-pairs must be used to determine if a City-Pair contract exists. See: <http://apps.fas.gsa.gov/citypairs/search> (these lower fares are only available to Federal employees). If there is a City-Pair contract in effect, then US flag carriers must be used.

If a foreign carrier of an Open Skies country is used for air travel on Federal sourced funds, then the department must have documentation that indicates a City Pair agreement was not in effect and that an Open Skies Agreement exists.

A department will always be in compliance with the Fly America Act if they choose to use only US flag carriers for travel funded from Federal sources.

QUESTIONS/ NEXT MEETING

Next GC Meeting: Thursday, February 18, 2010, Pioneer Room, MU

Interoffice Communication

Date: November 2, 2009

To: Deans
Chief Information Officer
Vice President for Extension and Outreach
Vice President for Research and Economic Development



From: Elizabeth Hoffman
Executive Vice President and Provost

SUBJECT: Use of PI Incentive Accounts

This communication is a reminder that the dollars allocated to principal investigators from the indirect cost recovery on their grants and contracts are subject to the very same policies, rules and regulations regarding expenditure as any other funds. As such, each and every expenditure must have a legitimate business purpose and that purpose must be stated on all procurement and reimbursement requests. These policies can be found at:

<http://www.controller.iastate.edu/accounting/allowability.htm>.

I have excerpted the section that speaks directly to the topic of expenditures from PI incentive accounts, also referred to as 490 Funds.

490 Funds: Accounts established for faculty eligible to receive distribution of Facilities & Administrative (aka indirect) revenue generated from sponsored projects. Funds can only be used for ISU business purposes and must comply with Regent and ISU spending policies. Any goods or equipment purchased from funds are the property of the University, NOT THE PERSONAL PROPERTY OF THE ACCOUNT HOLDER.

The business purpose must be clearly described and pass what we have long called the “Des Moines Register test”. Examples of appropriate uses of these incentive funds include expenses that further promote the PIs research activity through the purchase of additional research related equipment or supplies or the hiring of graduate students, post docs and research assistants. Also some PIs use the funds to initiate new research projects.

Often there is confusion over hospitality expenses so I’ve excerpted several sections from institutional policies specifically regarding that topic.

HOSPITALITY:

Documentation:

Hospitality expenses will be processed provided the voucher documentation includes the who (specify names and business relationship if not clear), what, when, where and why of the event. It is the responsibility of the college and/or department to explicitly state the business purpose on all expenditure transaction vouchers authorizing payment of costs associated with employee related events.

Employee business functions:

The greatest uncertainty regarding allowability often occurs for events in which only ISU employees are present. The associated costs must represent a legitimate business expense with a work-related purpose. The following provide examples of meetings attended only by ISU employees. Food and beverages for recurring functions where participants are all from the same department should be kept to a minimum.

- A meal may be served when the function is pre-planned and a number of people are involved. Having food served on campus vs. dining out is generally viewed as more businesslike and less social. Examples:
 - o If the most convenient time a *group* of people can schedule a work-related meeting is over the noon hour, providing lunch on campus is generally appropriate. Recurring committee meetings involving employees from many departments would fall into this category.
 - o If two employees meet at a restaurant downtown, even if business is discussed, this is generally not appropriate, since the individuals would normally have lunch. Under some circumstances where it is the only convenient time, 206 agency funds or unrestricted Foundation funds may be used.
- The restaurant used must be commensurate with the business purpose of the meeting and expenses must be reasonable. Upscale restaurants are normally only appropriate when outsiders are in attendance and making a positive impression on the guest is part of the business purpose. Business meeting expenses should generally fall within the in-state meal allowances established by the Board of Regents, currently \$6/\$9/\$16 for breakfast, lunch, and dinner.

In these difficult budget times we can expect additional scrutiny of our expenditures. Staff members should be aware that these types of expenses are regularly being audited both by the State Auditor and Internal Audit staff. Past audits have been critical of the lack of documentation, inadequate information of the business purpose and justification, particularly when P-Cards are being used.

Please note that these are not new policies, but periodic reinforcement of them will assist with compliance. Please convey this message to your department chairs, unit heads, faculty and staff. Any questions can be directed to Stephanie Fox, University Controller or Arlo Meyer, Assistant Vice President for Business Services.

Thank you.

cc: Warren R. Madden
Stephanie Fox
Arlo Meyer
Dave Holger
Susan Carlson
Brenda Behling