

GRANT COORDINATOR MEETING 5/20/10 SPONSORED PROGRAMS ACCOUNTING (SPA)

FUNDING INCREMENTS

When a PI has an award that is ending and you are told it is getting another year of funding, how important is it to know *how* that next piece of funding will be received from the sponsor?

If the project involves federal or federal flow-through funding, the answer is that it is very important. Even for non-federal awards there can be financial implications for misidentifying how incoming funds will be handled. Here are some of the questions you as a grant coordinator should be considering when looking at funding increments:

- Are the funds coming in as an amendment to an existing award, extending the end date and adding additional funds? If so, the sponsor's award number and the award title should remain the same.
- Are the funds coming in under a new sponsor award number with a new agreement? Many times work on a project may continue, but if the award comes in as a new agreement or new PO those funds must be treated separately from the original award and a new account number will be established.
- Is there a gap in funding dates from when the initial project award ended to when the new award starts? If a gap in dates exists, then a new account number will need to be established unless pre-award spending to close the gap can be approved.
- Are there carryforward provisions to be concerned about? If the funding is coming in as an amendment, ISU may have to send a written request to carryforward the unspent funds to the next period if carryforward is not automatic. If the funding is coming as a new agreement, carryforward will always have to be requested and may not be possible depending upon the funding agency.

Potential problems with not correctly identifying how a funding increment will be handled:

- Inability to transfer expenses to the new award that posted prior to the new award's start date.
- Inability to transfer expenses to the new award because of the overspent to federal restriction.
- Loss of unspent funds on a terminating account due to carryforward restrictions.

So what can you do to mitigate the risks associated with the above?

- Read the project's announcement guidelines (a.k.a. Request for Proposal).
- Did the original agreement indicate that additional years of funding were dependent upon availability of funding? If you see an approved budget for multiples years of funding, typically that funding will be issued under the same sponsor award number and put in the same ISU account number when those increments are awarded.

- For federal flow-through awards, look not only at the agreement from the sponsor but also look at the agreement from the prime sponsor if it is incorporated by reference. Does the prime agreement end on a given date or have carryforward restrictions our sponsor must adhere to? Be aware that it is possible our sponsor issued more restrictive terms than the prime agreement contains, or that we may have to go through the sponsor for certain approvals.
- Contact the sponsor for clarification (we should never contact a federal agency for flow through awards). We need to know if this new funding will be treated as an amendment to the existing agreement or if it will be treated as a new agreement with a new sponsor award number. The program people might not always know how their Contracts & Grants administrators will issue the new funding. Feel free to contact OSPA or SPA for assistance in contacting the sponsor if needed.

All of this should be done as far in advance of the end date as possible. The answers will affect how you handle close out the current year's funding, approvals you may request in advance of the end date, and whether or not you request an advanced account number from OSPA for the new funding.

ERROR CORRECTION OF PAYROLL BENEFITS

An error involving only fringe benefits was discovered in some payroll programming that was implemented on January 1, 2010. This error affected Payroll Correction Vouchers and Change in Funding actions initiated from January 1, 2010 through approximately the end of April 2010. The Payroll Office manually corrected the errors for the FY10 transactions. These corrections will be posted as payroll CV transactions with only benefit class codes. SPA has reviewed the corrections made to the 4xx accounts to determine if any funds need to be returned to sponsors for closed accounts. Please contact your Sponsored Programs Accountant if you have any questions regarding these corrections.

ALLOWABILITY OF ISSO FEE FOR PROCESSING FOREIGN VISAS

The International Students and Scholars Office (ISSO) will start assessing a new scholar support fee on July 1, 2010 to cover the costs associated with services provided to international scholars. These fees range from \$100 to \$1,500 depending on the type of application. Typically, these fees are not allowable as direct charges to federal sourced accounts. See below for NSF's response to an inquiry regarding visa fees:

NSF RESPONSE:

Visa fees tend to fall into three different categories:

1.

U.S. scientists going to another country to conduct research or attend a conference. This could also include scientists from another country traveling to a third country to attend the conference or otherwise participate in a research project. The visa and other travel fees required by the hosting country would be considered an allowable expense. These would normally be less than \$100.00.

The awardee is required by NSF grant terms and conditions to comply with the laws and restrictions of the host country and obtain the necessary permits, etc. These are not normally very expensive and typically of limited duration. Of course any visas required would have to relate to the purposes of the award, i.e., they must be allocable to the research project (a grantee traveling to Spain for a conference could not charge for a visa to France to take his wife to Paris while he was over there). Note that reasonable and necessary travel expenses required to obtain/receive a visa (e.g., the train ride to NY to the consulate's office) would normally be allowable. Costs exceeding this small amount would need to be specifically requested and approved by the sponsor prior to initiating the travel.

2.

Visas, green cards, or other arrangements for foreign scientists or graduate students to come to the United States and work for an extended period of time on an NSF award. These costs can be considerably more expensive (potential legal fees) and NSF would not typically pay this type of expense - the basic premise being that NSF expects that individuals proposed to work on an NSF award would have the status or standing to legally work in the United States. This includes the new premium process for H visas (typically \$1,000 per visa) and the \$100.00 SEVIS fee for J visas. However, special consideration could be made in situations of particular necessity (i.e., we really need scientist X because h/she is the only one who knows how to do this). Consultation with NSF would be required in advance. The most common scenario is universities asking NSF to cover the costs of bringing foreign graduate students and post docs into the U.S. to participate on a research project. These can run up to \$1,000 or \$2,000, and such costs would not be considered allowable grant expenses.

3.

Foreign scientists invited to the U.S. to attend a meeting or workshop supported by a federally-funded project. Visa fees for such attendance may be charged to the relevant grant. This is also true for conference grants, since the attendance of such individuals is the objective of the award. Thus it would be acceptable for foreign scientists attending an NSF sponsored conference in the United States to charge to their travel expenses the costs of obtaining the necessary visa to enter the U.S.

END OF NSF RESPONSE

Other federal agencies may have differing opinions from NSF. If your department wishes to charge this ISSO fee to a federal sourced award, please contact your Sponsored Programs Accountant to discuss the allowability of this fee. SPA may need to contact the sponsor of the award to make a determination.

UNUSED AIRFARE CREDITS

When refundable airline tickets purchased through Travel and Transport (T&T) are cancelled, then a credit good for one year is usually issued by the airline. T&T will notify departments of an unused credit ~90 days before the expiration of the credit. If the credit is not used just prior to expiration, then T&T will purchase as inexpensive a ticket as they can find which will allow ISU to retain a portion of the existing credit (less the new ticket price and associated processing fee).

When an airline credit is used by purchasing another airline ticket, T&T notifies the ISU Accounting Office. The Accounting Office then prepares a correction voucher to move a portion of the original airline ticket charge to a new account. Occasionally, these credits are used by a department after an award has terminated. In these cases, SPA will return funds to the sponsor. SPA would appreciate departments using airline credits during the life of an award whenever possible.

ON-LINE DEPOSITS INTO 497 FOUNDATION PARALLEL ACCOUNTS

Checks received from donors are to be deposited with the ISU Foundation. Deposits must go through the ISU Foundation for the donor to receive credit for the gift. No receipts should be deposited into 497 parallel foundation accounts. ISU departments should never use the Deposits On-line system for ISU Foundation account revenue.

If an outside entity is reimbursing ISU for expenditures made from a 497 account, then the Deposits On-line system can be used to deposit the reimbursement checks received. This type of deposit is called a “negative expense”, and an expense class code must be used. The class code that was associated with the expense should be used as the class code in the Deposits On-line system for depositing the reimbursement of that expense.

SECTION-PROJECT CHANGES ON PO TRACKING VOUCHERS

Purchase Orders (POs) ending in -23 are used to track invoices received, payments made, and encumbrances outstanding for subawards and subcontracts to outside entities on sponsored funding. For the subcontract encumbrance to be reduced when payment is made, the fund account section project entered by the Accounting Office for the voucher must be an exact match with the fund account section project that has been entered into the PO system for that PO. Please notify Richard Hoversten in SPA (rlhover@iastate.edu) if you change the section project listed on an ISU tracking voucher for an I#-#####-23 Purchase Order. This will increase the accuracy of outstanding encumbrance amounts.

SICK LEAVE RETIREMENT PAYOUTS

The \$2,000 Sick Leave Retirement Payout was paid from ISU central administration general funds prior to the implementation of the budget model. A central pool of funding no longer exists under the new budget model; therefore colleges/units are responsible for determining how to handle the payment of this sick leave retirement payout. This payout was not paid from sponsored program accounts in the past, and should not be paid from sponsored program accounts now. This payout can be paid from 490 incentive accounts or other unrestricted funding sources (e.g. 701 accounts, 290 accounts).

TUITION CHARGED TO FEDERAL SOURCED AWARDS

Some of the colleges have asked PIs to request funding for the maximum amount of tuition if it is allowable. The maximum allowable amount of tuition that can be charged to federal sourced awards is 100% for PhD graduate students on ½-time appointments, 50% for PhD graduate students on ¼-time appointments, 50% for MS graduate students on ½-time appointments, and 25% for MS graduate students on ¼-time appointments. One of the primary conditions for tuition to be allowable on sponsored funding is that it must be the institution's practice to treat students in non-sponsored activities the same as students in sponsored activities. Student fees for graduate students on appointment are not allowable on federal and federal flow-through funds.

QUESTIONS/NEXT MEETING

Thursday, September 16, 2010, Pioneer Room, MU