

Grant Accounting News

VOLUME 1

NOVEMBER 2017

Welcome to the first issue of Grant Accounting News. Issues will be emailed periodically to keep everyone updated on Grant Accounting Policies and Procedures, as well as reminders.

FRINGE BENEFITS

REMINDER, the percentages that were identified for budgeting purposes (31% full-time, 20% summer, 8% extra help < 30 hours, and .30% graduate assistants and student workers) in 2016 are based on the average fringes charged by the university for employees in those classifications. Prior to 2016, all fringes were adjusted to 31%, which meant some grants were charged more--often significantly more--than were actually paid for the related employees. We determined that this was not an appropriate practice to continue, as it did not reflect the real expenses for the grants or departments.



Actual fringes are the amount of fringes that were actually charged for that person. Depending on what retirement plan the employee is enrolled in, and other benefits in which they participate, the fringe rate varies for each person. For example, UCA's match is different on APERS than on TIAA, so the applicable rate is charged for the employee on the grant and will not be the same for every employee. Also, if students are not enrolled in a certain number of "full-time" hours in the summer, they would be considered extra help and charged the 8% rate rather than the .30% rate. So the rates that are used for budgeting are a best estimate, but the actual will vary from those amounts. These rates will vary per person based on the different benefit packages they have signed up for. July 1, 2015, UCA began charging actual fringes to the grants and contracts instead of adjusting all grants to 31%.

HOW DOES THIS AFFECT YOU?

Sometimes fringe benefits will be less than budgeted and other times, they may pay out more than budgeted. It is important when proposals are submitted that it is stated that even though fringe benefits are budgeted at the UCA rates, the agency will be charged actual fringes.

You should also check with your funding agency to see if any underspending of fringes can be moved to another line, or that money can be moved into the fringe line from other line items if fringe benefits are higher than budgeted. If additional funds can not be moved into fringe benefits, the excess must be charged to the department.

P-CARD REALLOCATION FORMS

Grant Accounting forms are located on the UCA website under Accounts Payable/Grant Forms. The P-Card Reallocation form is only to be used for grants and contracts. The Purchasing Department has a different form for P-Card Rellocations.

Note: Trans Date is the date you are preparing the form. FY is the current fiscal year, i.e., 18. Budget Period is the current period, i.e., July is 01, August is 02, etc. Document total is the total of all lines. Vendor Information is for the vendor name. D/C is for debit or credit. You can enter all your debits and the total as a credit on one line. Prepared By is who prepared the form. Reviewed By is the signature of the Principal Investigator Approved By is for Grant Accounting and Misty signs in Entered By.

There is a Sample P-Card Reallocation form in the forms section as well for you to be able to refer to.

If you have any questions regarding this form, please give us a call.



FACULTY COMPENSATION FROM SPONSORED PROJECTS

Faculty may not receive more than their regular annual salary as a result of participation in sponsored projects during the academic year. "Unless there is prior approval by the Federal awarding agency, charges of a faculty member's salary to a Federal award must not exceed the proportionate share of the Institutional Base Salary for the period during which the faculty member worked on the award." (2CFR, 200.430)

Some sponsors will reimburse the University for a portion of a faculty member's academic year salary when the sponsored project is carried out during the academic year. This does not increase the faculty member's salary, but generally helps the institution recover a portion of the salary expenses that are allocable to the sponsored project. This is commonly referred to as a "course buy-out" or "course release" of the faculty member's time by the grant to complete the work of the project.

Faculty performing work on sponsored projects during their regular terms of employment with the University are generally not eligible to receive pay from grants beyond their regular compensation.



INCENTIVE PAY

When the grant pays a portion of the salary during an academic year, it creates salary savings in the department. The Principal Investigator can then request incentive pay from the department following the incentive pay regulations found at: <https://uca.edu/board/files/2010/11/408.pdf>

SUMMER EFFORT

A faculty member on a 9-month contract may be paid summer salary (supplemental pay over and above the 9-month academic year salary) for effort contributed to a sponsored project **ONLY** during the 3-month summer period. Charges are based on the same monthly base rate of pay as during the academic year. Summer salary chargeable to grants and contracts is limited to that effort actually expended on the project. Faculty members receiving three months of summer support (maximum allowable) from a sponsored project must put the entire three summer months into the work of the grant. *Summer salary cannot be paid for effort expended during the academic year*

TIME AND EFFORT REPORTING

Time and Effort Certification is completed three times a year in line with the semesters. The reports are completed for August 16 - December 31, January 1 - May 15, and May 16 - August 15.

The certification report is run to determine what percentage of salaries were paid from each index. The PI then certifies how much effort has been expended in each department or on which grant.

Salaries must be paid in the month(s) the effort occurs in order for the effort certification to be accurate.



POST-AWARD FINANCIAL CONTACT INFORMATION

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