Grant Accounting News

The October Issue of Grant Accounting News will focus on the responsibilities of Principal Investigators vs. Grant Accounting.

PRINCIPAL INVESTIGATOR'S FISCAL MANAGEMENT RESPONSIBILITIES

The University delegates considerable authority and responsibility for fiscal compliance to principal investigators (PIs) and departments. This requires the development of significant expertise at the department level and relies heavily on PIs and departmental staff to comply with University policies and various sponsor rules and regulations, and terms and conditions of an award. This includes ensuring that costs are correctly charged to the grant index/account according to the sponsor-approved project budget and the terms and conditions of the award.

Each expense charged to the account must be directly related to the project, must be allowable under the terms and conditions of the award, and must be included in the sponsor-approved budget. Any questions concerning the allowability of costs should be directed to Grant Accounting (GA) prior to incurring the cost, as GA staff can assist the PI in determining if the cost is allowable under the current budget/terms or if a budget revision is required.

Departmental administrative support staff assist PIs in managing their accounts, but the PI is ultimately responsible for all costs charged to their grant indexes and accounts. The GA staff monitor expenditures against accounts for compliance with University, state, federal, and sponsor guidelines to ensure policies are consistently applied, but only the PI can verify that each individual expense is appropriate to the account.

Ultimately, the PI and the PI's departmental unit are responsible for any over-expenditures or any costs that are determined to be unallowable by Grant Accounting or auditors. It is therefore incumbent upon the PI to carefully monitor all expenditures charged to his/her accounts and to implement whatever procedures are necessary to ensure compliance with the terms and conditions of the award. To accomplish this, the PI can require that all project-related expenses must be approved in advance by him/her or his/her designee.

- **Personnel Costs**

  A major expense in most restricted accounts is personnel cost. To comply with federal regulations, the University has implemented an after-the-fact salary certification system to verify that all personnel costs charged to restricted accounts are appropriate based on the award notice. The purpose of the salary certification is to verify that payroll is distributed correctly to grant accounts.

  The PI must prepare and submit, or directly supervise the preparation and submission of, a cost transfer form to Grant Accounting to correct the payroll distribution.

- **Cost Transfers**

  If the PI determines that costs were charged to the account in error, he/she must prepare, or directly supervise the preparation of, a cost transfer request form. The cost transfer request must specify why the expense is an appropriate cost for the account to which it is being transferred and why it was not charged correctly initially.

  According to University policy, all cost transfers must be submitted to Grant Accounting for approval within ninety (90) days of incurring the cost.

If GA staff see a pattern of incorrect charges necessitating large numbers of cost transfers, they will contact the PI to discuss modifications to the PI's procedures to ensure expenses are charged appropriately.

- **Monitoring Sub-awards**

  If the project includes subawardees, the PI is responsible for reviewing all invoices submitted by the subawardee and determining that all costs are appropriate and allowable. Payment of subawardee invoices is tied to the subawardee's performance in meeting the goals outlined in their scope of work. Once the PI has determined the charges are appropriate, the work is complete, and approves the invoice, the invoice will be sent to Accounts Payable for payment. The PI must review all such invoices in a timely manner so that the University can meet its responsibility to pay the subawardee in a timely manner.

- **Cost Sharing**

  It is the PI's responsibility to document all cost sharing associated with the project. This includes timely submission of salary certification reports (if the cost share includes payroll). If the cost sharing includes contributions from third parties, such as school districts, non-profit agencies, state agencies, and/or private individuals, the PI must obtain written documentation and submit it to GA. Cost sharing must be documented as it occurs – the PI should not wait until the project is ending to start documenting cost sharing.

- **Budget Revisions**

  Because the budget approved by the sponsor was an estimate based on the PI's knowledge at the time of the application, it is not uncommon for PIs to later determine that the budget needs to be modified to reflect changed circumstances.

  The PI should contact GA as soon as he/she determines modifications of the sponsor-approved budget are needed.

  In many cases, sponsors have granted the University the ability to approve some budget changes through the University's internal process. In other cases, a budget revision will need to be approved by the sponsor. All requests to sponsors for budget revisions must be reviewed and approved by GA prior to submission to the sponsor.

End of Grant - Project Closeout

Close-out requirements are detailed in the terms and conditions of the award. The time allowed for close-out may vary from sponsor to sponsor. Federal sponsors, for example, typically allow 90 days for close-out after the end of the grant. Some allow as little as 30 days.

As the end date approaches, GA will notify the PI and department of close-out requirements and time required via an End of Grant Notification email.

GA must submit final billing within the time allowed or risk losing payment. Additionally, the sponsor will not release final payment until all requirements are met, such as receipt of the PI's technical/ project / progress report(s) and the final financial report (submitted by GA). Failure to comply jeopardizes future funding for the entire University and may also result in fines or penalties.

The department linked to the grant may be responsible for any payments that cannot be collected due to inadequate time allowed for GA processing or PI oversight.

Costs incurred after close-out

Costs incurred after the end date of a project will need to be paid from a different index.

Cost transfers

In order for GA to submit the final financial report on time, the PI must ensure that cost transfers are processed within the timeframe provided in the GA End of Grant Notification.

Cost sharing

Carefully review the project and any cost sharing requirements, and contact GA with questions or concerns.

Excess budget

If excess budget funds are anticipated, contact Sponsored Programs to discuss requesting a time extension or carryforward. In many cases, sponsors have delegated expanded authority to the University to grant a one-time, no-cost extension. If not, SPO will make the request with PI involvement.

Departmental Charges

The grant index code cannot be used after close-out. Notify departments accordingly and provide them a different funding source for services such as:

- Campus Mail
- Office of Community Engagement
- ARAMARK
- Postage
- Printing
- Telephone
- Other

Personnel

Prepare a new request for Personnel Action Forms (PAF) for each employee paid from the grant index code. Identify a new funding source and provide an appropriate start date.

Record Retention

Records will be retained per the State guidelines of five years from the end of the grant, unless a longer retention term is required by the sponsor.

POST-AWARD GRANT ACCOUNTING RESPONSIBILITIES

- Set up the award in Banner, once the award notice is received from Sponsored Programs.

- Enter the Budget

- Notify the PI and Administrative Assistant of the new grant index and matching index (if applicable).

- Monitor spending by reviewing and approving requisitions and ensuring that they are allowable, allocable, and reasonable.

- Review PAFs to ensure they match the award amount and time frame requested.

- Review Student Hiring Authorization forms to ensure funds are available, then submit to GA. GA will forward to Financial Aid and/or International Engagement.

- Review Grant Stipend Forms to ensure funds are available, then submit to Financial Aid.

- Review each index once the applicable first payroll is charged to ensure salaries are paid properly and no salary reallocations are needed.

- Enter grant budget transfers.

- Review P-Card Reallocations and submit to Financial Accounting to enter into Banner.

- Monitor matching indexes to ensure matching funds have been transferred from the departments and PAFs have been received.

- Prepare invoices and submit for payment after PI approval.

- At grant closeout, if the PI has not contacted GA, notify them of encumbrances remaining at the end of the grant. Inquire as to whether a no-cost extension is needed.

- Prepare final invoices/reports as needed.

- Close Out grant in Banner after final payment has been received.

OTHER POST-AWARD GRANT ACCOUNTING ACTIVITIES PROVIDED

- Annual workshops

- Monthly newsletter that cover updates and reoccurring issues.

- One-on-One meetings with new Principal Investigators to ensure they are aware of all of their financial responsibilities and what GA provides for them.

- Open Door Policy: Grant Accounting encourages meetings one-on-one for all PIs or Administrative Assistants needing clarification or help with any post-award financial aspects of their grant.

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K.Spear

"I have an open door policy. If you bring snacks, I'll open the door."

IF UNRESOLVED ISSUES ARISE

Issues arise, but they should never be left unresolved.

If an unresolved issue is between the PI and the State/Private Grant Accountant, please contact the Senior Grant Accountant.

If an unresolved issue is between the PI and the Federal Grant Accountant, please contact the Controller.

REMINDER: NEW/CHANGED ACCOUNT CODES

718100 – Professional Svcs > $20,000
718118 – Software License/Technical
           Contracts
718125 – Professional Svcs <= $20,000
718127 – General Svcs Contract > $20,000
718128 – General Svcs Contract <= $20,000

SALARY CERTIFICATION

If you have a grant that ended between July 1st – August 31st, and you have not received a Salary Certification report, please contact Grant Accounting.

POST-AWARD FINANCIAL CONTACT INFORMATION

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