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Financial Grant Management Workshop

January 19, 2017

Contracts and Grants Accounting

Contracts and Grants Accounting Office

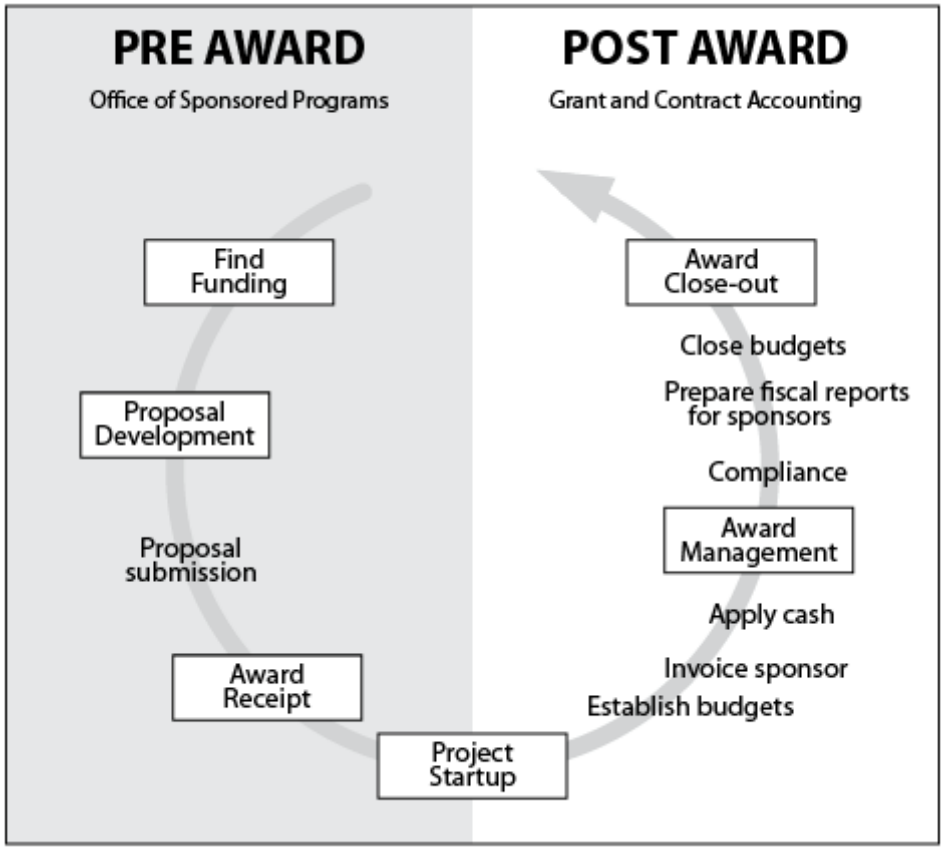
- Marcos Armendariz, Unit Associate Director
- Lupe Alvara, Lead Analyst
  - Federal Grants and Contracts (Federal Direct, Federal Pass-Through, Federal Clinical Trials, and Federal Financial Aid)
- Monica Duarte, Lead Analyst
  - State and Local Grants and Contracts and Industry-Sponsored Clinical Trials
- Veronica Armendariz, Lead Analyst
  - Private Grants and Contracts and Other Restricted Funds (Gifts, Endowments, Scholarships, Loans, Auxiliary, TTFI, Unexpended Plant)

http://elpaso.ttuhsc.edu/fiscal/businessaffairs/grantaccounting

Workshop Agenda

- Post-Award Basics
  - New Fund Request
  - Grant Budget
  - Personnel Actions (ePAFs, LRDs)
  - Purchasing and Payment Services Transactions
  - Billing and Financial Reporting
  - Closeout Process
- Revenue/Expense Account Code Guidance
- New Initiative
- Preview of Upgrade to NFR System

Normal Grant Life Cycle



Source: University of Washington

Post-Award Process

Award Notification

- Office of Sponsored Programs (OSP) or Institutional Advancement (IA) notifies Principal Investigator (PI), departmental staff, and Contracts and Grants Accounting (CGA) of new award

Post-Award Prep

- Department updates budget template to match final award amount and obtains approvals from IRB, IACUC, IBC, etc., if necessary.
- OSP executes subaward agreements, if applicable

New Fund Request

- Department requests new fund through the New Fund Request System

Budget

- Department establishes project budget through the Budget Revision System

Post-Award Process (Continued)

Project Personnel
- Department completes ePAF and/or LRD to allocate salary charges to new fund

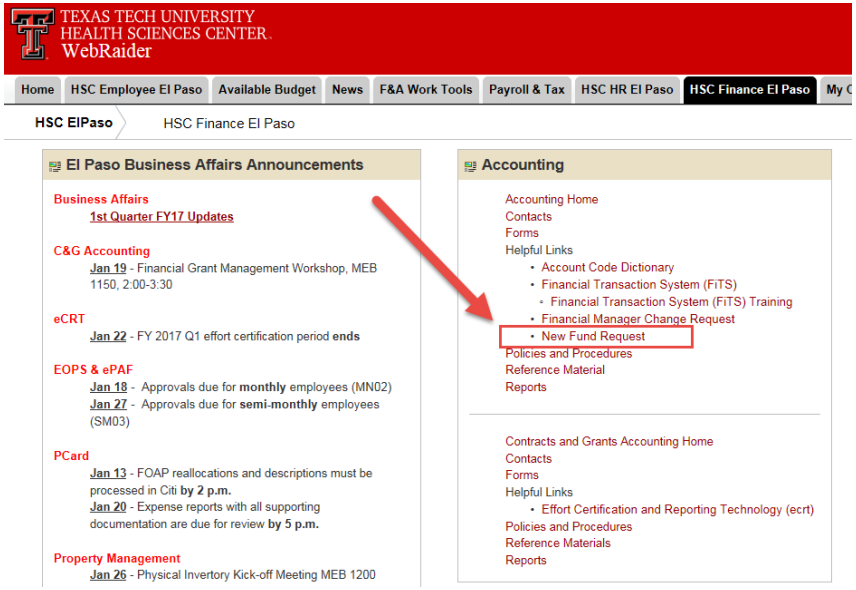
Other Project Expenditures
- Department procures goods and services following the Purchasing Manual guidelines

Billing
- CGA or department, as determined, submits invoices to sponsor for advance or reimbursement

Reporting
- PI/Department completes required programmatic reports
- CGA prepares required financial reports

Closeout
- Department reviews grant closeout checklist and responds to questions from CGA and OSP
- CGA reviews expenditures since inception and any outstanding encumbrances and invoices; terminates fund in Banner
- Depending on grant, OSP and IA may submit final reports to sponsor

New Fund Request



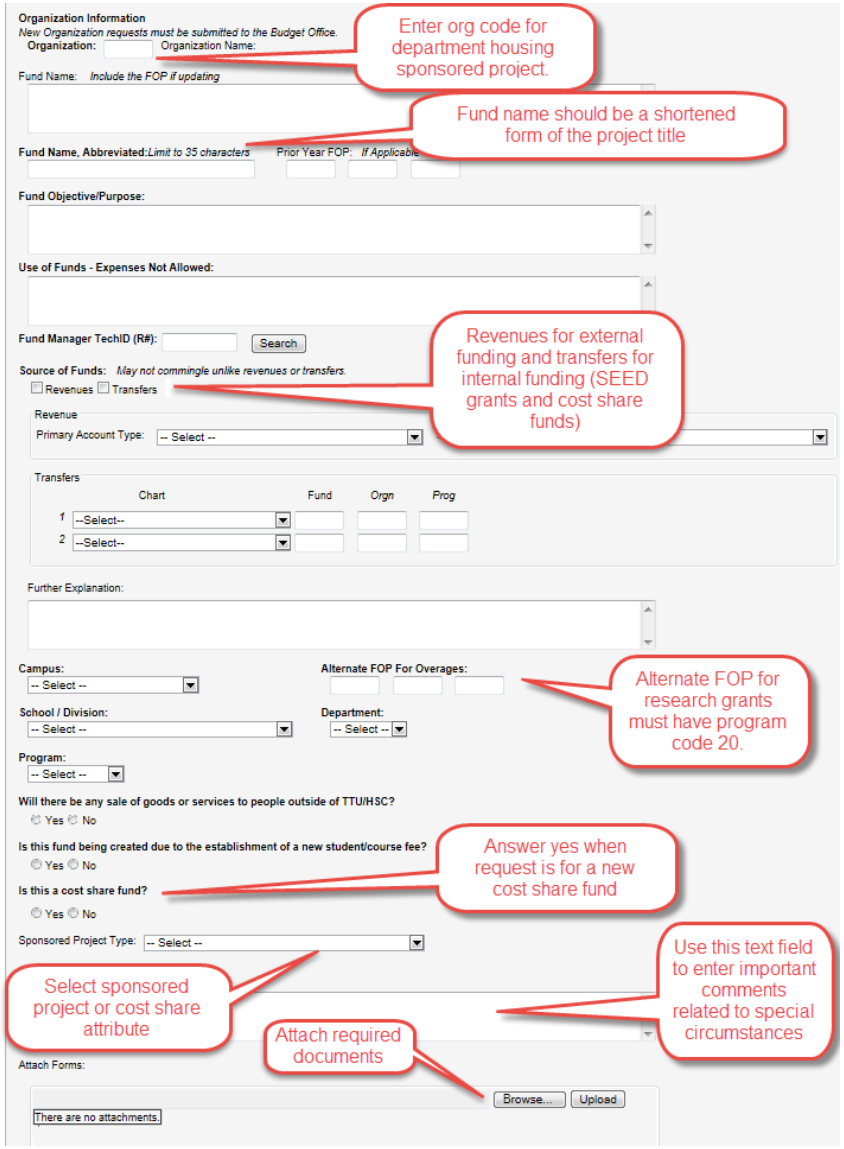
- Required Attachments:
  - OSP route sheet
  - Award letter and/or executed agreement
  - OSP budget template (including budget justification if available)
- You're welcome to attach any other document that might be important, such as a report template and correspondence from sponsor approving project changes.

When is a new fund needed?

- All sponsored projects should have a separate fund created in order to properly track and segregate the financial activity and budget specific to a grant/contract.
- Most grants/contracts will only have one fund for the duration of the project, with a few exceptions:
  - If it's a federal direct grant and the federal cash drawdown method changes during the project, a new fund might be required for the affected project period.
  - If it's a pass-through grant, regardless of whether it's federal, state or private, and the pass-through entity imposes unusual restrictions on how a carry forward amount can be used or demands a clear separation of budgets between grant years, then a new fund might be required for each grant year.
  - If there is substantial financial reporting required by grant or contract year, a separate fund for each project year might be required.
  - If there are multiple billing method requirements or the billing method changes from one project period to another (e.g. cost reimbursement to fee-for-service), a separate fund will be required for each billing method.
- An amendment, revision, or subsequent notice of award for an existing project does not constitute a new grant/contract, so there might not be a need to set up a new fund.

NFR Guidance: Main Fund Form

- Fund name is usually a shortened version of the long project title. Some special cases have a prefix for quick identification. For example:
  - "CPRIT" for CPRIT grants
  - "CS" for cost share funds
  - "SEED" for SEED grants
- Sponsored Project Type
  - Select "SP" for grants/contracts and "CT" for industry-sponsored clinical trial agreements
  - Select the appropriate cost share classification if request is for a cost share fund (mandatory/voluntary committed, salary cap, voluntary uncommitted)



NFR Guidance: Research Form

- Purpose of the first six questions is to capture data to determine whether the new fund requested under research program code 20 should be classified as organized research for the F&A cost rate proposal.
- Research type and area of study data elements are used to complete the following annual reports:
  - THECB Research Expenditures Report
  - NSF Higher Education R&D Survey.

HSC Restricted Research Fund Request Form

Notification Center:

This section is to be used to document the determination that the funds qualify as restricted research.

Definitions and guidance from the Texas Higher Education Coordinating Board (THECB) are available at: http://www.thecb.state.tx.us/reports/Docfetch.cfm?Docid=1003&Format=PDF

Is research funding awarded to/received by TTUHSC based on a competitive award process?

Yes No

Is research externally funded (i.e. funding received from a source outside of TTUHSC)?

Yes No

Is there a budget that requires specific accounts for spending, for example payroll, supplies, etc?

Yes No

Is there a specified period of time during which research/spending should occur (i.e. project period)?

Yes No

Is there a specific commitment regarding deliverables and/or level of personnel effort required?

Yes No

Is a report required at the end of the project that summarizes results and/or conclusions?

Yes No

Is this fund subject to Peer Review?

Yes No

Select One:

Applied
Basic
Developmental

Select One:

Biological Research
Medical Research
Education
Evaluation

Select All That Apply:

Aging
AIDS
Cancer
Cardiovascular
Child/Human Development
Diabetes
Health Disparity
Mental Health
Obesity
Hispanic/Border Health
Rural Health Disparity
Other:

Prev Next Save

Research Definitions

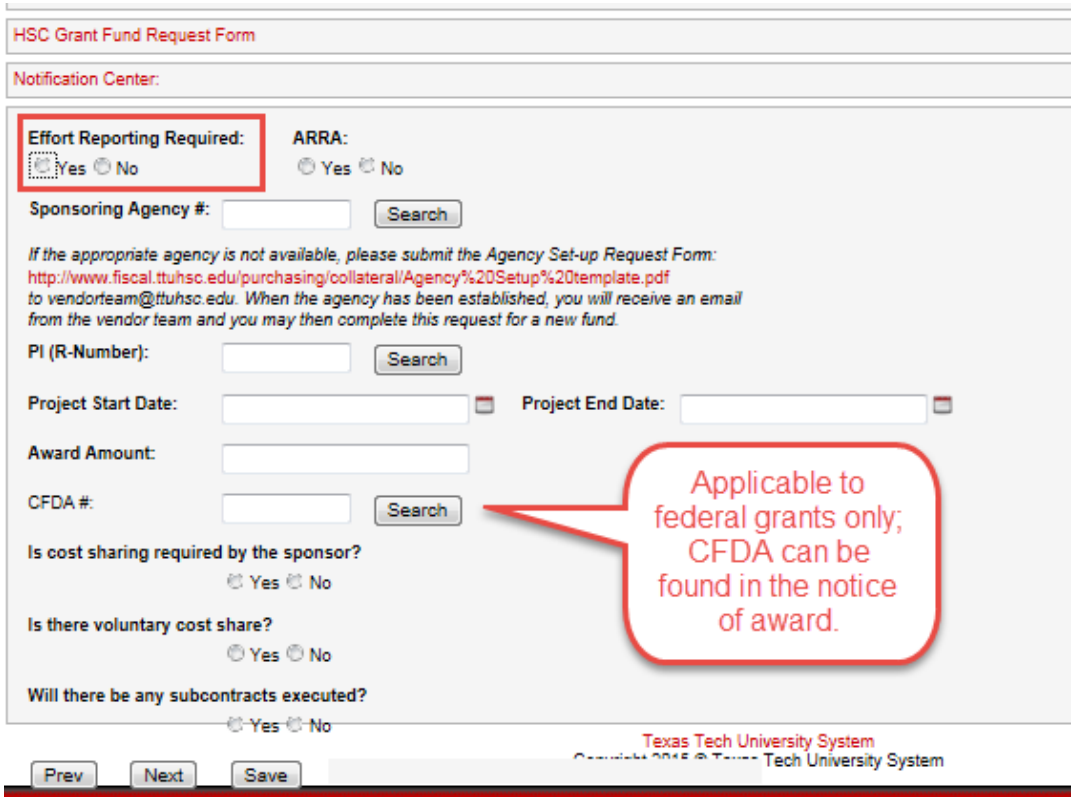
- Definition of restricted research from the Texas Higher Education Coordinating Board can be found at http://www.thecb.state.tx.us/reports/PDF/2331.PDF.
- Research and Development definition from OMB Uniform Guidance 2 CFR Part 200.87: "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.
- The National Science Foundation divides R&D activities into the following three categories:
  - Basic Research – Undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and facts without any particular application or use in view.
  - Applied Research – Original investigation undertaken in order to acquire new knowledge. It is directed primarily toward a specific, practical aim or objective.
  - Experimental Development – Systematic work, drawing on knowledge gained from research and practical experience, directed at producing new products/processes or improving existing products/processes.

Research Definitions

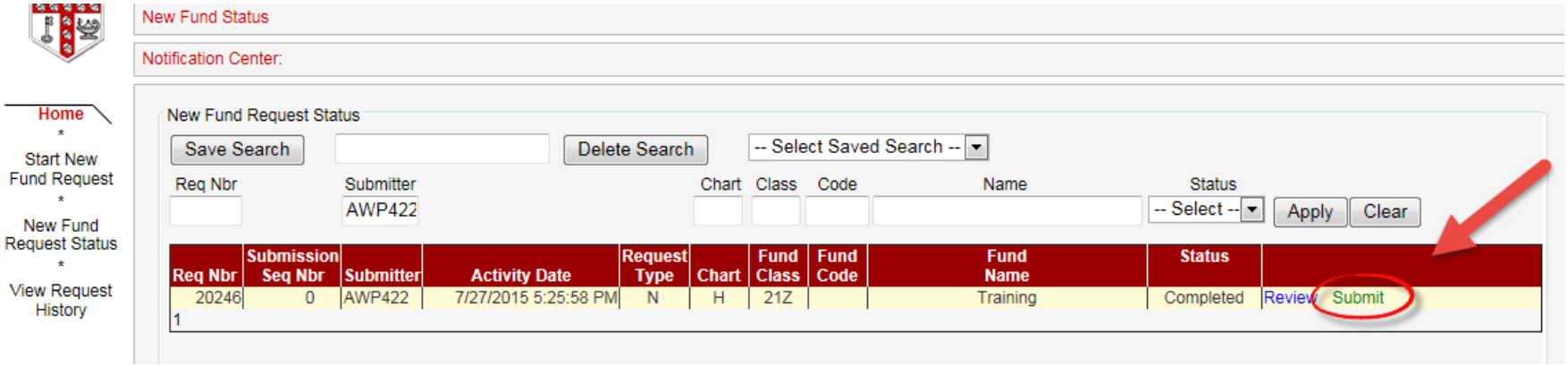
Examples		
Basic research	**Applied research**	**Experimental development**
A researcher is studying the properties of human blood to determine what affects coagulation.	A researcher is conducting research on how a new chicken pox vaccine affects blood coagulation.	A researcher is conducting clinical trials to test a newly developed chicken pox vaccine for young children.
A researcher is studying the properties of molecules under various heat and cold conditions.	A researcher is investigating the properties of particular substances under various heat and cold conditions with the objective of finding longer-lasting components for highway pavement.	A researcher is working with state transportation officials to conduct tests of a newly developed highway pavement under various types of heat and cold conditions.
A researcher is investigating the effect of different types of manipulatives on the way first graders learn mathematical strategy by changing manipulatives and then measuring what students have learned through standardized instruments.	A researcher is studying the implementation of a specific math curriculum to determine what teachers needed to know to implement the curriculum successfully.	A researcher is developing and testing software and support tools, based on fieldwork, to improve mathematics cognition for student special education.

NFR Guidance: Grant Form

- Effort Reporting Required should be "Yes" for all sponsored projects. Even if sponsor does not require effort reporting, we're requiring this higher standard on all sponsored projects for increased oversight over salary expenditures.
- If Sponsoring Agency does not show up in the search results, enter R11362024 (TTUHSC El Paso) and C&G Accounting will set up a new sponsor in Banner.



NFR Guidance: Submitting Request



- Make sure the request does not remain in the Completed status. Click on Submit to begin the approval routing for the new fund request.

NFR Approval Routing

Home
*
Start New Fund Request
*
New Fund Request Status
*
View Request History

New Fund Request History

Save Search | Delete Search | -- Select Saved Search --

Req Nbr	Submitter	Chart	Fn Class	Fn Code	Post Beg	Post End	Fund Name	
	AWP422							Apply Filter / Clear Filter

Req Nbr	Submitter	Activity Date	Request Type	Chart	Fund Class	Fund Code	Fund Name	Post Date			
16914	AWP422	06/12/2014 10:59:48	N	H	23Z	233065	UMC Fellows Contract Elp 14/15	06/16/2014 16:39:48	Review	Status	Print
16909	AWP422	06/12/2014 10:35:55	N	H	23Z	233064	UMC Resident Contract Elp 14/15	06/16/2014 16:35:06	Review	Status	Print
16121	AWP422	04/09/2014 16:28:33	N	H	23Z	233060	UMC Residents 14/16 Elp	04/16/2014 17:22:55	Review	Status	Print
16120	AWP422	04/09/2014 16:13:05	N	H	23Z	233062	UMC Fellowships 14/16 Elp	04/16/2014 17:18:14	Review	Status	Print

1

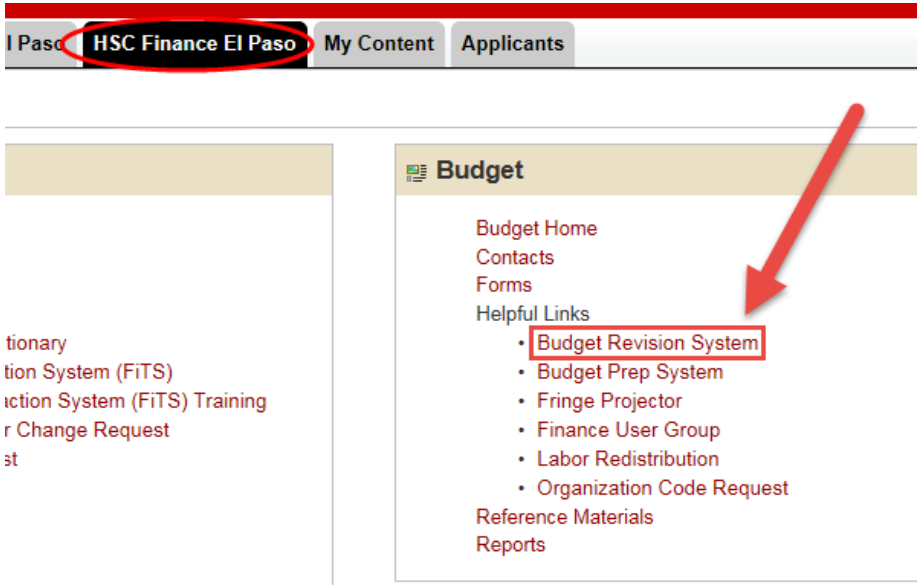
Hover over the Approver ID to see name of approver

Hover over the Group ID to see list of approvers

Approval Status

Status	Approved Date	Approver/Proxy	Approver ID	Group
Approved	6/12/2014 11:22:50 AM		HLQ986	533181
Approved	6/13/2014 8:24:14 AM		JLJ252	NFHUOS
Approved	6/16/2014 2:39:01 PM		KIN353	NFHAA7
Approved	6/16/2014 3:54:23 PM		ZQN292	NFHAS3
Approved	6/16/2014 4:39:47 PM		UUI397	NFHAFS

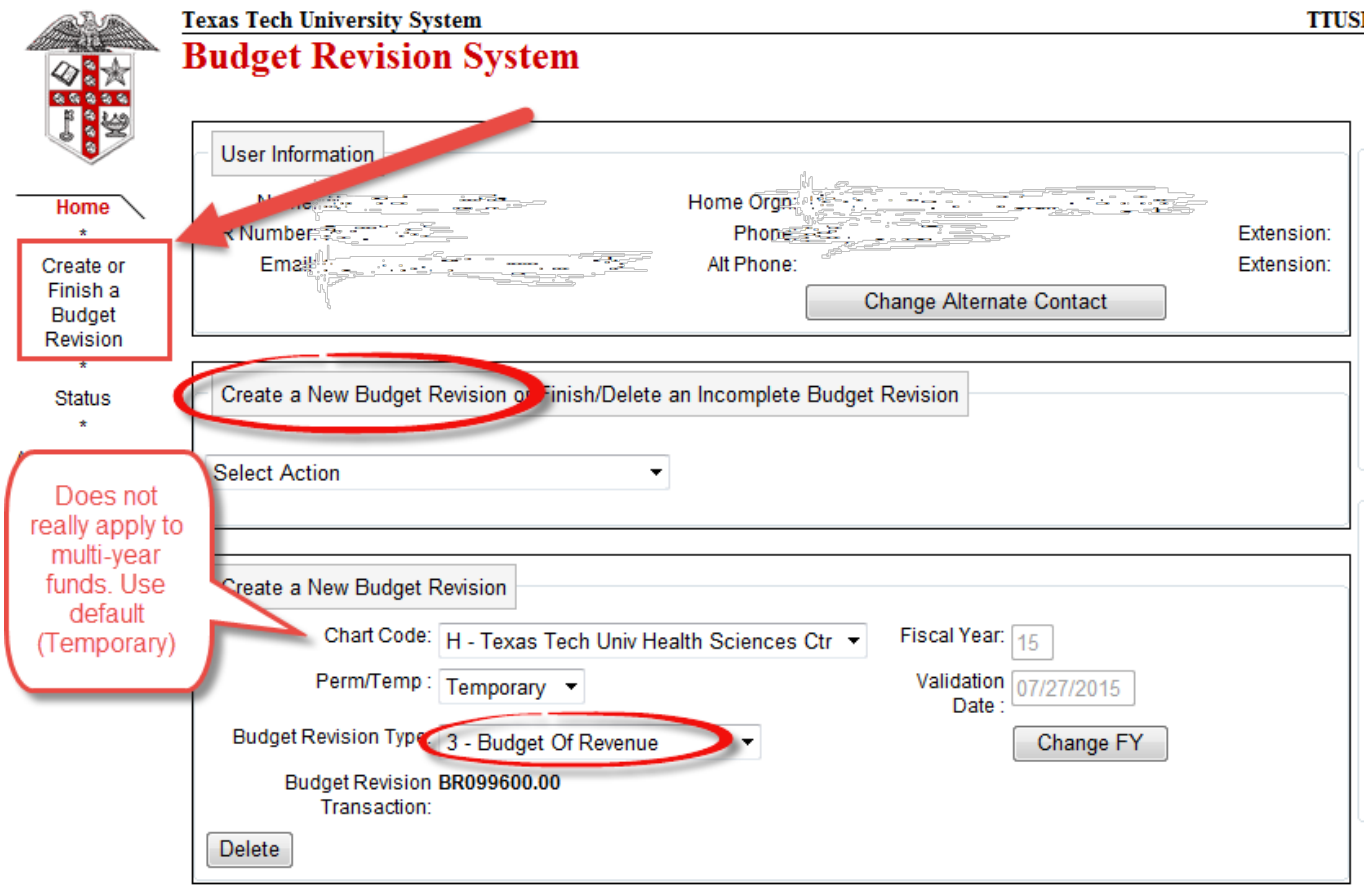
Establishing Sponsored Project Budget



- Once the new fund for your project has been established, set up the project's budget by completing a budget revision through the Budget Revision System.
- Attachments Required:
  - Notice of Award, Contract, or Agreement
  - Grant Budget (OSP budget template)

- The budget must be established exactly as shown on the OSP budget template or on the grant agreement.

Budget Revision System Guidance



Fund Entry

Enter fund code.

Fund:

Change Fund

Grant Code:

Grant Begin: Grant End:

Grant PI:

Agency Name:

Grant information displayed from Banner per new fund request.

Revenue Acct Entry

Default Organization:
Default Progam: **20 Research**

Revenue budget account code

Should be zero when revenue budget equals expense budget

Document Total: 0.00

Fund Code	Orgn Code	Orgn Code Description	Program Code	Account Code	Account Code Description	Current Budget Amount	YTD Revenue Received	Amount	Plus Minus	
			20						Select	Add Clear

Expense Acct Entry

Default Organization:
Default Progam: **20 Research**

Enter expense budget per category according to grant budget

Fund Code	Orgn Code	Orgn Code Description	Program Code	Account Code	Account Code Description	Current Budget Amount	Budget Available Balance	Amount	Plus Minus	
			20						Select	Add Clear

Revenue Analysis

Hide Revenue Analysis

Fund	2015	2014	2013	Grant Inception to Date
Annualized/Actual Revenue	91,565.06	17,156.07	0.00	93,460.29
Total Revenue Budget	215,606.93	67,864.00	0.00	232,763.00
Difference	**(124,041.87)**	**(50,707.93)**	**0.00**	**(139,302.71)**

Enter comment stating the purpose for establishing a revenue budget. For example, "Establishing the grant budget for federal grant #XXXXX awarded to PI XXXX for Year 1 budget period of 7/1/2015 to 6/30/2016."

Comments

Maximum: 2500 Characters

Add Comment | Cancel

Upload required attachments.

Attachments

File Name	Activity Date	User

Maximum size for the file to be uploaded is 4MB

Browse...

Click to Upload

Submit for approvals.

Approval Routing

Start Approvals

- Once budget revision is fully approved and you receive email notification that it has posted to Banner, you're ready to start processing charges against new fund!!

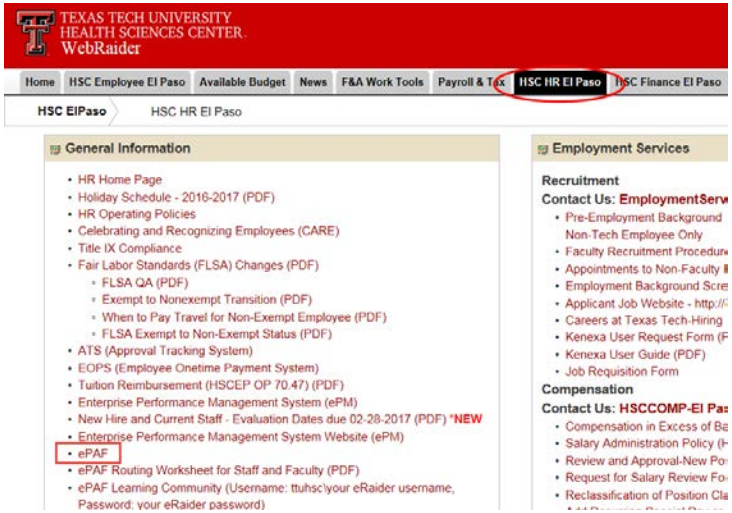
From: ITIS - Budget Revisions
To: Armendariz, Marcos
Cc:
Subject: Budget Revision BR096289 has been processed.

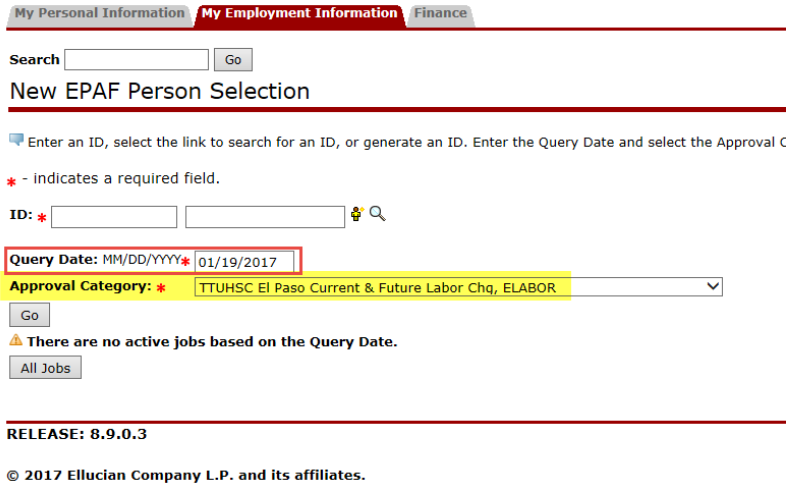
Budget Revision BR096289 has been posted to the Banner Finance system as document BA049777.

This is an automated message, please do not reply.

Grant Personnel Actions

- Current and Future Labor Change
  - Process this type of ePAF for the PI and other grant personnel to allocate the appropriate percent effort to the grant FOP. Submit the ePAF a couple of business days before the established Payroll deadline in order for the change to be effective as of a specific pay period.



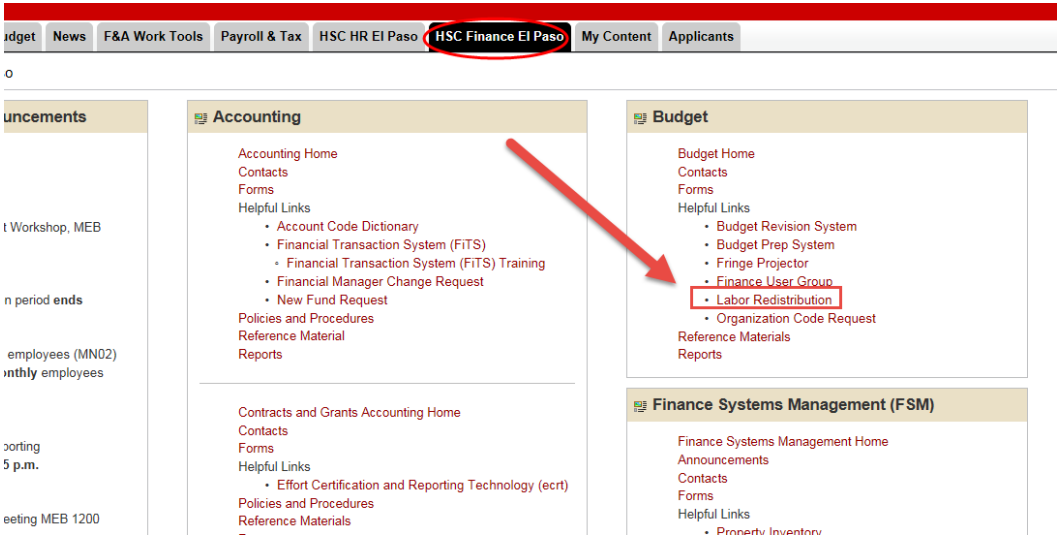


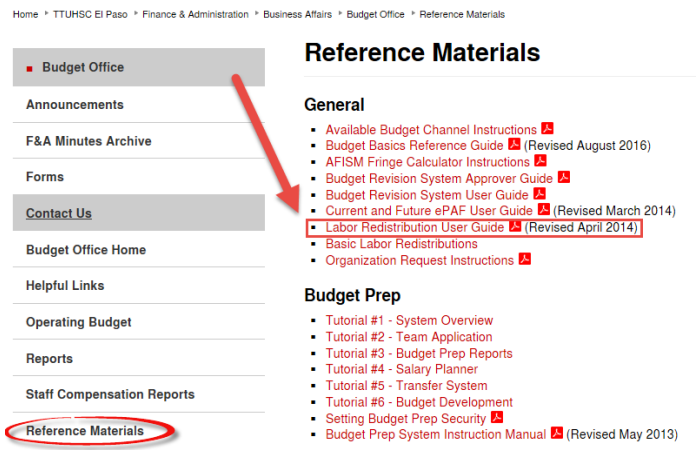
Grant Personnel Actions

- Labor Redistributions (LRDs)
  - To charge salary to a grant for pay periods that have already passed, a labor redistribution must be completed.
  - The Budget Office will make exceptions for LRDs submitted after the quarterly deadlines. However, you should process the necessary LRDs as soon as the grant budget is established.
  - Note that LRDs for pay periods that fall in prior fiscal years are only allowed if unallowable salary charges need to be moved off the grant FOP.

Grant Personnel Actions

- Labor Redistribution System
  - User Guide available on the Budget Office website.





Grant Personnel Actions

- Institutional Base Salary
  - OP 65.07 defines Institutional Base Salary (IBS) for purposes of budgeting and charging salaries to sponsored programs.
  - IBS is essentially composed of all salaried appointments, both primary and secondary positions.
  - Budget proposals, ePAFs, LRDs, salary cap calculations, effort reporting, and any other personnel action allocating or charging salaries to a sponsored program should follow this definition of IBS.
- This policy complies with the OMB Uniform Guidance, which states in Section 200.430(h)(2): "IBS is defined as the annual compensation paid by an IHE [Institute of Higher Education] for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities."

Grant Salary Expense Considerations

- Charge committed effort percentage throughout the project period.
- Make use of the Multiple Positions Cost Share Calculation Worksheet to simplify salary cap and mandatory/voluntary cost share calculations for personnel holding multiple positions.
- Effort certification will be required for all salary expenses charged to sponsored program FOPs.
- The FOPs, both restricted and unrestricted, and the percentage allocated to each FOP for each pay period are the basis of the effort percentages that appear in ECRT.

Procurement Standards

- Institutional purchasing OPs are applicable for all sponsored programs, unless sponsor-specific guidelines are more restrictive.
- Follow the Purchasing Manual when procuring goods and services.
- Non-compliant purchase orders will not be allowed on grants.
- Note: OMB Uniform Guidance procurement standards currently on hold may require changes to purchasing thresholds as early as FY18 (9/1/17).

Purchase Order and Encumbrance Management

- Periodically review all open purchase orders using Cognos reports.
- Be proactive instead of reactive. If you know a purchase order was not allocated to the correct FOP or will be deemed unallowable, submit a change order through the PO/Encumbrance Change Request System.
- Note that any open encumbrances as of the grant end date are particularly scrutinized by CGA.
  - Goods and services not received by the grant end date will not be allowed on the grant.
  - Make sure the receipt date in TechBuy is the date you actually received the goods or the date when services were completely or substantially rendered.
  - Invoices for allowable purchase orders can still be paid after grant end date. Note that there might be time constraints that may require quick processing of outstanding invoices, depending on the final financial report and final invoice deadlines imposed by sponsor.

Other Common Grant Expenditures

- Travel Applications and Vouchers
  - Foreign travel requires prior approval from the president
  - Follow travel operating procedures and policies (lodging rates, alcohol disallowance, tips, etc.)
- Swift Cards
  - Active IRB approval must be in place at time of request, if applicable.

Procurement Services

- Purchasing Home
- Contacts
- Forms
- Helpful Links
  - Account Code Dictionary
  - TechBuySystem
    - TechBuy System Information
  - PO/Encumbrance Change Request
    - PO/Encumbrance Change Request System Manual
- Policies and Procedures
- Reference Materials
  - Purchasing Manual (HSC Lubbock)
  - TechBuy Job Aids

- Payment Services Home
- Contacts
- Forms
- Helpful Links
  - Citi Web Website - PCard
  - Professional Societies List
  - Swift Prepaid
  - TechBuy System - DirectPay
  - Travel System
  - Vendor Payments
- Policies and Procedures
- Reference Materials

Getting Paid: Billing Procedures

- Most cost reimbursement and fixed price grants are invoiced by CGA
  - Federal cash drawdowns for NIH grants completed every Monday
  - Quarterly FSRs for CPRIT grants
  - Monthly cost reimbursement/fixed price invoices for federal pass-through grants, state grants, and private grants/contracts.
- Department responsible for invoicing for fee-for-service contracts and any project involving milestones/deliverables.
  - Most fee-for-service contracts route through Contracting, so make use of the Contract A/R System to recognize the revenue and record the account receivable for every invoice
- Clinical trials invoicing process:
  - OSP will submit invoices for startup fees.
  - IRB Office will submit invoices for initial and continuing review fees for industry-sponsored clinical trials.
  - Department will need to submit invoices based on subject visits or milestones, if invoices are required by sponsor.

Financial Reporting

- CGA responsible for generating grant financial reports:
  - Tracking of financial report due dates
  - Obtaining appropriate signature(s)
  - Processing cost share certifications
  - Ad-hoc financial report requests are welcomed with reasonable advance notice
- Estimates of unobligated balance for no-cost extensions and carryover requests should be completed by CGA

Grant Closeout

- Automated email sent to fund manager 30 days before grant end date.
- Email contains a link to the grant closeout checklist if the grant will end as scheduled.
  - Make sure you review the grant closeout checklist. CGA will be in contact whenever action is required by department.
  - Most common issues found at the end of the grant period are invalid open encumbrances and pending cost transfers and labor redistributions.
- If an extension of the grant end date is necessary, contact OSP or IA, as applicable, to request approval for an extension from the sponsor.

Grant Closeout

- Action Items to Consider:
  - Return unused swift cards
  - Send all outstanding invoices to Accounts Payable
  - Ensure expenses charged to grant were incurred within the grant period of performance
  - Prepare programmatic reports
  - Cover budget overruns
  - Request grant financial report from CGA
  - Transfer residuals (IDC budget will be swiped)
  - Review and have PI sign internal FSR for federal grants only
  - Final invoices
  - Collect all amounts due
  - Respond to questions from CGA
  - Retain project records according to sponsor guidelines

Grant Financial Management Tips

- Review payroll reports at least once a month and ensure faculty/staff salary distribution fulfills effort commitments on grant proposals/applications
- Review transactions on grant FOPs at least once every two weeks and complete cost transfers (audit red flag for CTs over 90 days)
- Recalculate effort percent charged to grant and cost share funds every time there is a salary increase or secondary appointment
- Be up to date on the latest salary cap amount for DHHS grants
- Do not create new purchase orders during the last two weeks of the grant unless essential items are still needed and goods/services will be received on or before the grant end date

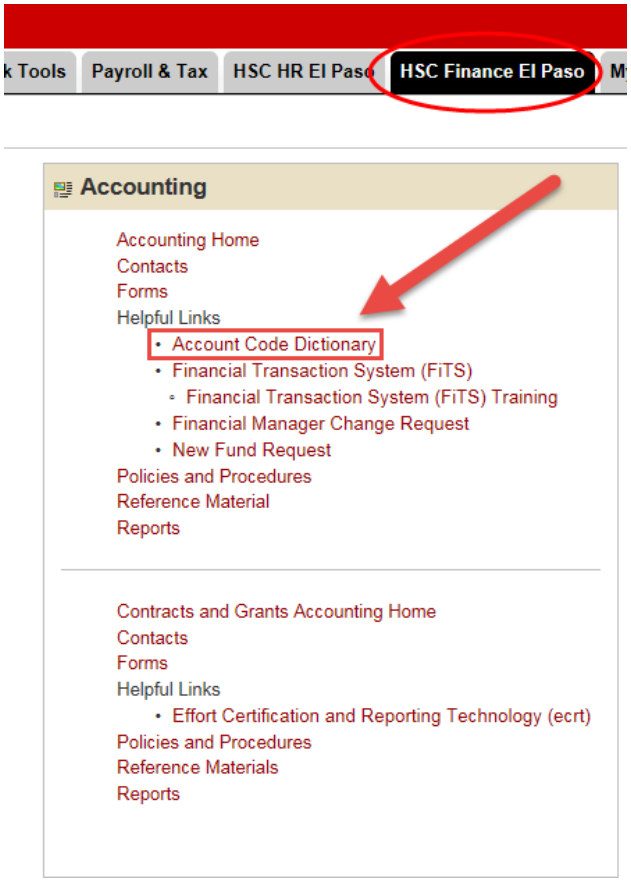
Account Code Guidance

Grant Revenue Account Codes

- Most grant revenue is recorded by CGA through cash receipts or recording of receivables after invoicing the sponsor.
- Only on occasion will a department have the opportunity to record the revenue. This may happen when:
  - The Contract AR System is used to record the account receivable for fee-for-service contract invoices.
  - The department received the check instead of CGA and the department processes the cash receipt for the deposit.
- Please check with CGA for the correct revenue account code before completing a cash receipt for a grant payment.
- The revenue account code is defaulted in the Contract AR System based on the revenue type assigned in the ASC Contract Database. CGA will contact the Contracting Office to change the revenue type in ASC if the incorrect revenue account code defaults in the Contract AR System.

Account Code Dictionary

- Search by keyword
- Search by account code to see a list of the types of expenses that fall under that account code
- Application currently limited to non-labor expense account codes only



Common Expense Account Codes

731000 Chemical and Gases	•Lab chemicals •Dry ice •Gases (oxygen, helium, nitrogen, etc.)
731200 Medical Supplies	•Medical supplies used in a clinical or laboratory setting
730002 Consumables-Medical Supplies	•Medical supplies NOT used in a clinical or laboratory setting. Other settings include public service and health education events
730000 Consumables	•General office and housekeeping supplies •Generally not allowable as direct costs on federal grants
721000 Fees and Other	•Manuscript and abstract fees •Fees and service charges not otherwise covered by more specific account codes

Common Expense Account Codes

733400 Furnish/Equip and Other Expensed 733401 Medical Equipment Expensed	• Furnishings and equipment with a unit cost of less than $5,000 • Includes thermometers, test tubes, vials (laboratory glassware), microscope, staplers • Does not include items that are disposable or are not meant to last very long, such as a AAA battery pack, disposable gowns, toner cartridges, filters, etc. These should be recorded as consumables.
729900 Purchased Contracted Services	• To record payment for contracted temporary services, such as translation services, data collection, video taping, etc.
7L1400 Patient/Subject Costs	• Swift cards • UMC clinical research participant costs
724000 Consultant Services	• Used only for external consultant agreements or with internal service departments, such as the Biostatistics and Epidemiology Consulting Lab

New Initiative
Notice of Award Meeting

- In the coming weeks, a Notice of Award Meeting will be implemented for all new grant awards.
- A representative from OSP and CGA will meet with PI and any departmental staff assisting with grant management.
- The objective of the short meeting will be to go over the terms and conditions in the grant agreement and the most relevant institutional policies that will affect the performance of the project.
- The PI will be required to sign a Terms and Conditions Summary document certifying he or she understands the reporting and compliance requirements for the specific project.

Preview of New Version of NFR System

- New Interface

Questions???