Contracts and Grants
Accounting

AUSPAN

New CGA Policies

February 25, 2013
New CGA Policies

- Reviewed with OSP
- *Drafts* submitted by CGA for approval
- Will not be adopted as policy until approved by General Counsel
- Notice will be sent when policies are approved
SPAN – CGA Policies

CGA Policy & Procedures

- Direct Cost Policy*
- Cost Sharing Policy
- Effort Certification Policy
- Final Billing and Reporting Policy
- Fixed Price Residual Balances Policy
- Non-Salary Cost Transfers Policy
- Program Income Policy
- Salary/Wage Transfer Policy
- Unreimbursed/Unallowable Expenditures Policy
Direct Cost Policy

• Establishes consistent costing practices for Auburn University
• Defines Direct Costs; allowable, allocable, reasonable and consistent
• Includes information for charging direct costs to federally sponsored projects and non-federally sponsored projects
• Provides examples of unacceptable charging practices
• New:
  – responsibilities for PI/department, CGA, OSP
  – additional language on items normally charged as indirect costs, including agency-specific guidance
  – reference to cell phone policy
Cost Sharing Policy

• It is the policy of Auburn University to recover full costs from the sponsor.
• Cost share only when mandated by sponsor, required by federal regulations, or required to properly document committed effort.
• Voluntary committed cost share is discouraged.
• Cost share commitment must be approved by department heads, deans or directors, and the appropriate vice presidents.
• Generally, sponsor funds and AU funds should be spent at about the same rate.
Cost Sharing Policy

• Methods of cost sharing are defined:
  – Cash Cost Sharing
  – Third-Party Cost Sharing
    • Cash
    • Non-cash
  – Indirect Costs
  – Program Income
Final Billing and Reporting Policy

• Purpose is to ensure compliance with sponsoring agency requirements for final financial report submission
• Includes responsibilities for PI/department and CGA
• Lists examples of typical final reporting deadlines
• Unreimbursed costs must be covered by the responsible college/school/department
Fixed Price Residual Balances Policy

- Includes responsibilities for PI/department and CGA
- Work on sponsored project must be complete, no outstanding items remain open or in question with sponsoring agency, and full payment must be received
- Explains recovery methods if Indirect Costs were:
  - Recovered during the life of the award
  - Partially recovered during the life of the award
  - Waived during the life of the award
- CGA will initiate closeout for indefinite funds with balances of $1,000 or less with no expenditure activity in the preceding 180 days
Non-Salary or Salary/Wage Cost Transfers Involving Sponsored Projects Policy

• Two policies – one for non-salary transactions and one for salary/wage transactions
• It is extremely important that all expenditures be initially charged to the correct FOAP.
  – OMB Circular A-21, Section C.4.b
  – Parking of costs
• Deadlines for cost transfers TO sponsored project FOAPs: 90 days after expenditure was incurred
• Responsibilities for PI/department and CGA
• Avoid transfers to “spend down award” or because “that’s where the money is”
Program Income Policy

- A separate FOAP will be established for processing receipts and disbursements of program income
- Responsibilities for PI/department and CGA
- Treatment of program income as additive, deductive, or cost sharing
- A-110 directions on spending program income funds
- Residual balances on non-federal projects
- Collection, deposit, and budget procedures
Unreimbursed and Unallowable Expenditures Policy

• Unallowable = costs specifically prohibited by OMB A-21 or sponsor restrictions
  *** Must be paid with unrestricted funds
• Unreimbursed = normally costs in excess of the award amount or project costs incurred outside the period of performance
  – Otherwise allowable per OMB A-21 and award
  *** Must be transferred to Dean’s CS FOP
• Both cost types can be transferred off sponsored FOAP with DEC
• Allows AU to properly classify costs in the appropriate major function as required by OMB A-21