


**CGA review**


**Accounting teams in CGA review awards for:**

- Sponsor
- PI, Co-PI
- Responsible department and Division
- If not direct federal, if federally-funded
- Agreement type
- Award amount
- Cost sharing
- F&A rate
- Financial reporting requirements, including submission address
- Budget summary, budget justification, budget JV
- Project period



**Award document review**

- Sponsor
- PI
- Subaward number
- Federal or non-federal
- Project period
- Award amount
- F&A rate
- Final invoice due date
- Invoice address
- Final technical report due date
- Restrictions on use of grant funds

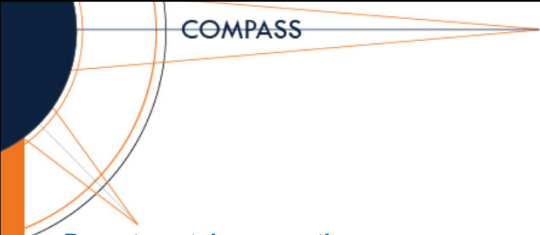


**Departmental perspective**

The Award is coming, but not here according to the Program Mgr. Often this is stated as the “proposal has been recommended for funding”. There are no guarantees until after the grant has been awarded.

- Do you set up on anticipation?
- Why or Why not?
- How do you do this?


<https://cws.auburn.edu/OVPR/pm/forms> (Manage Awards)



**Departmental perspective**

The Award is here? What now?

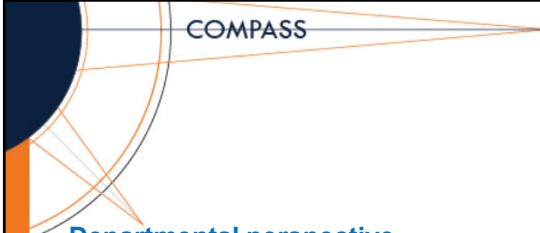
- Review the Award with the original Proposal
  - Are they the same? If yes, move to the next step
  - If No, Determine why and verify the correct budget.
- Discuss needs for Spreadsheet/Maintenance with PI.
  - Effort (%) - (Pre-Award)?, Now?, Going Forward?
  - Travel? Domestic? International? Special Parameters?
  - Equipment? ICRE (On Campus? Off Campus?)
  - Participant Support Costs/Professional Development?
  - Cost Share?



COMPASS

**Departmental perspective**

- Monthly Maintenance – Effort, Travel, Spreadsheet
  - Effort – Does this change monthly? Or not?
  - Travel – Is there travel? Is it permitted?
  - Other Purchases – Review for Reasonable, Allowable and Allocability
- Review – In Person, Via Email, Spreadsheet
- Errors – Make Changes
  - SWT (Salary Wage Transfer) – When allowable, back up
  - DEC (Department Error Correction) – Back up <https://cws.auburn.edu/OVPR/pm/forms> (Guidance Prepare and Submit)
- BMP 2018 (Check for changes.)




COMPASS

**Departmental perspective**

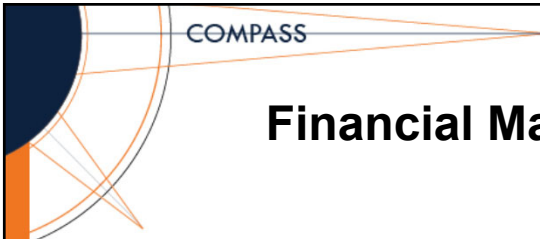
Reports – Quarterly, Annual, Final  
PI – Reports are due when?  
Why is this important to know?

Project Close Out is in 2 Weeks. More information will be forthcoming.



# Financial Management

- **Why**
- **Frequency**
- **How**
  - **Banner System**
  - **E-print reports**
- **FOAP Monitoring**
  - **Sponsored Fund**
  - **Cost Share**
  - **Third Party Match**
- **Expenditure Transfers**
- **Invoicing, receivables, financial reporting**



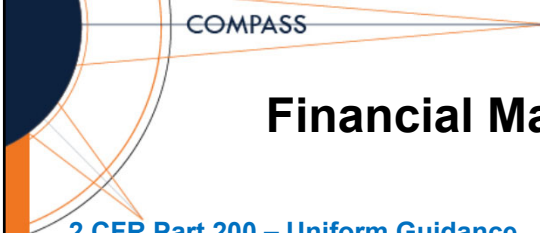
# Financial Management

**Why**

Uniform Guidance

Other Federal Guidelines

Agency Requirements

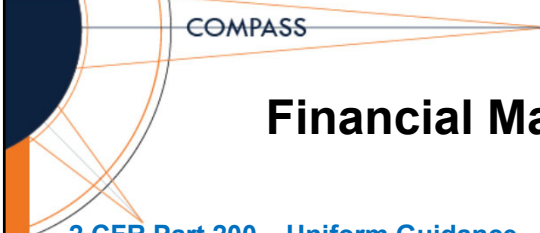


# Financial Management

## 2 CFR Part 200 – Uniform Guidance

### 200.302 Financial management:

- Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds.
- Financial management systems must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions
- Financial management systems must be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to Federal statutes, regulations, and the terms and conditions of the Federal award

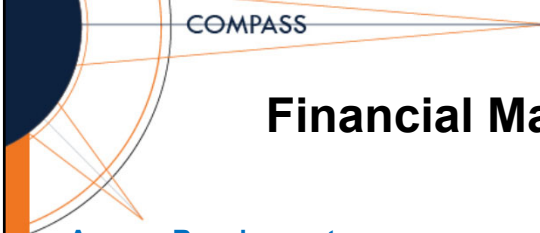


# Financial Management

## 2 CFR Part 200 – Uniform Guidance

### 200.302 Financial management:

- The financial management system of each non-Federal entity must provide for the following:
  - Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received
  - Accurate, current, and complete disclosure of each Federal award or program in accordance with the reporting requirements set forth in sections 200.327 and 200.328 of the Uniform Guidance
  - Records that identify adequately the source and application of funds for federally-funded activities...supported by source documentation
  - Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.
  - Comparison of expenditures with budget amounts for each Federal award.
  - Written procedures

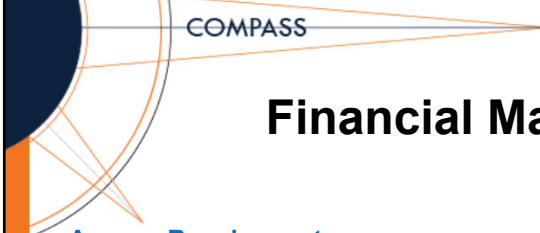


# Financial Management

## Agency Requirements

### National Science Foundation – Award and Administration Guide

- Grantee has full responsibility for the conduct of the project or activity supported under an NSF grant and for the results achieved.
- The grantee should monitor the performance of the project to assure adherence to performance goals, time schedules or other requirements as appropriate to the project or the terms and conditions of the grant.
- In order to carry out these responsibilities, each grantee organization shall agree to comply with the applicable Federal requirements for grants and to the prudent management of all expenditures and actions affecting the grant.




# Financial Management

## Agency Requirements

### National Science Foundation – Award and Administration Guide

- Documentation for each expenditure or action affecting the grant shall reflect appropriate organizational reviews or approvals, which should be made in advance of the action.
- Organizational reviews are intended to help assure that the expenditures are allowable, necessary and reasonable for the conduct of the project, and that the proposed action:
  - Is consistent with grant terms and conditions;
  - Is consistent with NSF and grantee policies;
  - Represents effective utilization of resources; and
  - Does not constitute a change in objective or scope
- NSF has the right to make site visits to review project accomplishments, grantee management control systems and administration and management of the grant




# Financial Management

## Agency Requirements

### National Institutes of Health – Grants Policy Statement

- Recipient organizations are expected to have systems, policies, and procedures in place by which they manage funds and activities.
- Recipients are required to meet the standards and requirements for financial management systems set forth or referenced in 45 CFR part 75.302
- NIH cannot support the research unless it has assurance that its funds will be used appropriately, adequate documentation of transactions will be maintained, and assets will be safeguarded.
- Recipients must have in place accounting and internal control systems that provide for appropriate monitoring of grant accounts to ensure that obligations and expenditures are reasonable, allocable and allowable.



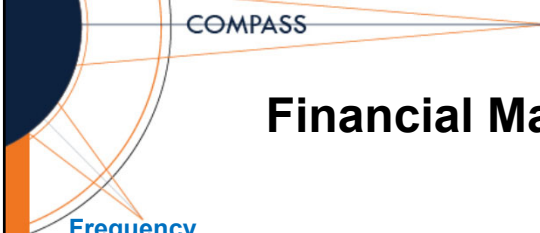
# Financial Management

## Agency Requirements

### National Institutes of Health – Grants Policy Statement

- System must be able to identify large unobligated balances, accelerated expenditures, inappropriate cost transfers, and other inappropriate obligation and expenditure of funds.
- Recipients must notify NIH when problem are identified.
- A recipient's failure to establish adequate control systems constitutes a material violation of the terms of the award.
  - Under these circumstances, NIH may include special conditions on awards or take any of the range of actions specified in Administrative Requirements – Enforcement Actions, as necessary and appropriate.





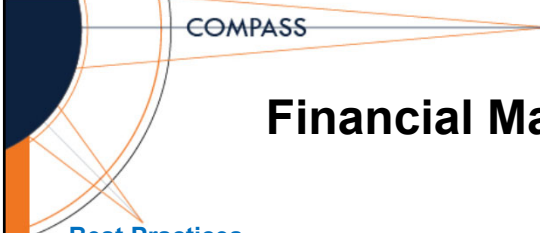
# Financial Management

## Frequency

Expenditures recorded on sponsored projects should be reviewed **monthly**.

### Expectations

- Demonstrate effective internal controls
- Timely discovery and correction of errors
- Good stewardship of the funding awarded to Auburn University
- Provide reasonable assurance that the costs charged to sponsored projects are allowable, are allocated based on relative benefit received, and are in accordance with applicable cost principles
- Budget to actual comparisons are monitored

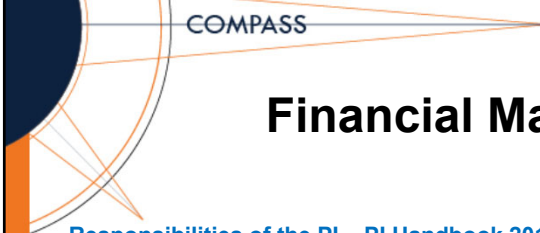


# Financial Management

## Best Practices

- Source documentation is maintained for all financial transactions at central and/or departmental levels (\*)
- The institution has a financial control system that limits costs charged to sponsored funds to costs allowable by that sponsor, in amounts that are properly allocable, and that do not exceed the sponsor's fair share of total program costs (\*)
- Persons responsible for the initiation of direct charges to programs and persons responsible for the approval and payment of those charges are knowledgeable of and follow the policies regarding allowability of costs and differentiation of costs into direct or F&A cost categories (\*)

(\*) Source: Council on Governmental Relations, "Managing Externally Funded Research Programs: A Guide to Effective Management Practices"



## Financial Management

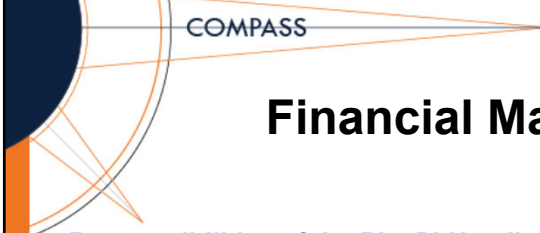
### Responsibilities of the PI – PI Handbook 2017

*(Starting on Page 41)*

Each Fund in Banner is assigned to a responsible person. For sponsored project funds, this person is the Principal Investigator. The PI may delegate some of the duties associated with financial management of the Fund to a business manager or other subordinate. *However, the PI assumes full responsibility for all activity on the Fund.*

The PI is responsible for ensuring that all disbursements from the Fund are:

- for the bona fide purpose of the fund;
- allowable per the terms of the award;
- authorized in accordance with University policies, State and Federal laws and regulations;
- charged to the appropriate account code; and
- fall within the available funding for the Fund.




## Financial Management

### Responsibilities of the PI – PI Handbook 2017

The PI is responsible for ensuring that:

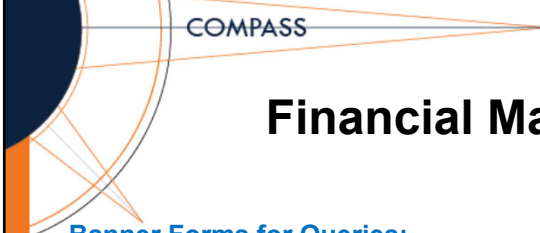
- The Fund is reconciled on a timely basis, i.e., within 30 days of receiving the month-end report;
- immediate action is taken to resolve the errors or discrepancies noted during the report reconciliation and to follow up to ensure that errors are corrected;
- the Fund is updated for changes in authorized signers and other Fund information;
- file copies of supporting documentation for all activity processed on the Fund is maintained for at least three years after the final closeout of the project (unless required to maintain for a longer period of time based on sponsor requirements).



# Financial Management

**How**

- Budget Queries
  - Banner Admin
  - SSB
- Other queries/SSB reports
- E-print Reports

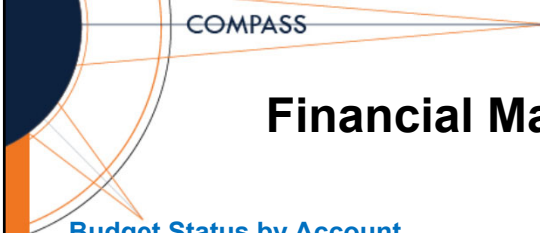


# Financial Management

**Banner Forms for Queries:**

Fiscal year  
**FGIBDST** – Organization Budget Status  
**FGITRND** – Detail Transaction Activity

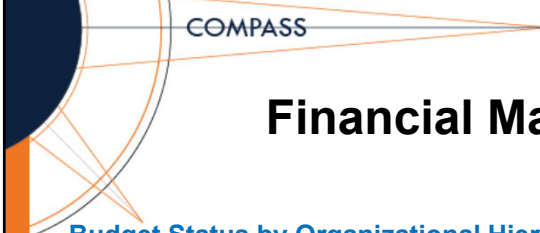
Project-to-date  
**FRIGITD** – Grant Inception to Date  
**FRIGTRD** – Grant Transaction Detail Form



# Financial Management

## Budget Status by Account

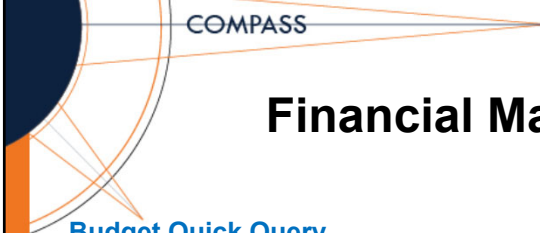
- Detail by Account
- Transaction detail
- Document detail – invoice or purchase order



# Financial Management

## Budget Status by Organizational Hierarchy

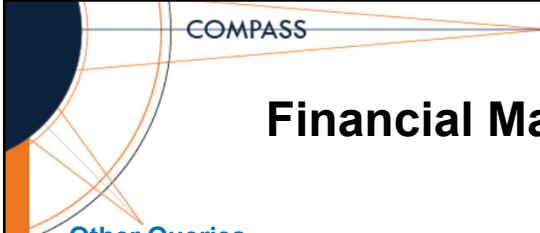
- Allows you to review budget information for organizations
- May be more useful for extracting departmental information than for budget queries of individual awards
- Can use Organization code hierarchy to create higher level queries



# Financial Management

## Budget Quick Query


- Allows you to view budget information by account for the Fiscal Period and Year-to-Date
- Parameters available for this query are Adjusted Budget, Year-to-Date, Commitments, and Available Balance
- Will not allow you to drill down for more detail



# Financial Management

## Other Queries


- FTMFUND – Fund Code Maintenance
- FRMFUND – Research Accounting Fund Maintenance
- FRAGRNT – Grant Maintenance
- FRIPSTG – Grant Personnel Inquiry
- FRIASTG – Grant Agency Inquiry
- FRIORGH – Grant Organization Inquiry
- FRIGRNT – Grant Code Inquiry



# Financial Management

## e-print Reports

- Run after each month-end
- **Finance** and HR reports
- Log in from Finance tab of AUAccess
- FZOGITD – Grant Fund History, sorted by Grant
- FZOGITD\_PI – Grant Fund History, sorted by PI
- FZODOS2\_CG – Departmental Operating Summary – C/G
- FZODOS3 – Departmental Operating Summary – CG by PI
- Labor distribution by Fund
- Labor distribution by Org
- Labor redistribution reports (for Salary/Wage transfers)



# Financial Management

## Review

### Banner Admin budget queries and transaction detail queries

- FGIBDST, FGITRND; FRIGTRD, FRIGTRD

### SSB budget queries


- Budget Status by Account, Budget Status by Organization Hierarchy, Budget Quick Query

### Other Banner Admin queries

- FTMFUND, FRMFUND, FRAGRNT, FRIPSTG, FRIASTG, FRIORGH, FRIGRNT

### e-print Reports


- FZOGITD, FZOGITD\_PI, FZODOS2\_CG, FZODOS3



# Financial Management

## Sponsored Funds


- Is the cost allowable?
- Is the cost budgeted?
  - If not, is prior approval required?
- Is the cost normally a direct cost or an indirect cost?
  - Is there an unlike circumstance?
- Is the cost allocated correctly?
- Is the cost recorded correctly?
- Did the person paid from the fund *work* on the fund during the pay period?
- Was the expenditure *incurred* during the period of performance?
- If near the end of the project – was the item *received* and *in use* before the end of the project period?
- Who is our sponsor?



# Financial Management


## Account codes to review in more detail:

- 70050 – Cell Phones & Push to Talk
- 70070 – Postage
- 70080 – Telephone/Telegraph
- 70350 – Business Meals
- 70360 – Guest Meals
- 70550 – TES-Admin/Clerical
- 70655 – Individual Memberships
- 70780 – Office Printing
- 70835 – Subscriptions
- 70845 – Other General Admin Expenses
- 70850 – Books/Periodicals/Publications
- 70851 – Copying
- 70935 – Office Supplies
- 71000 – Non-Capital Computer Equipment
- 71150 – Computer Supplies
- 71160 – Computer Software Maintenance/Renew



# Financial Management

FRIGITD queries




# Financial Management

## Cost Share Funds

- Has budget been loaded?
- Are cost share expenditures and sponsored expenditures occurring at about the same rate?
- What is the total match requirement?
- Are we meeting the match?
- Is the cost allowable?
- Is the cost budgeted?
- Is the cost normally a direct cost or an indirect cost?
- Is the cost allocated correctly?
- Is the cost recorded correctly?
- Did the person paid from the fund *work* on the fund during the pay period?
- Was the expenditure *incurred* during the period of performance?
- If near the end of the project – was the item *received* and *in use* before the end of the project period?






## Financial Management

### Third Party Match Funds


- Is the cost allowable?
- Is the cost budgeted?
- Is the cost normally a direct cost or an indirect cost?
- Is the cost allocated correctly?
- Is the cost recorded correctly?
- Did the person paid from the fund *work* on the fund during the pay period?
- Was the expenditure *incurred* during the period of performance?
- If near the end of the project – was the item *received* and *in use* before the end of the project period?



## Financial Management

### Program Income Funds

- Is the cost allowable?
- Is the cost budgeted?
- Is the cost normally a direct cost or an indirect cost?
- Is the cost allocated correctly?
- Is the cost recorded correctly?
- Did the person paid from the fund *work* on the fund during the pay period?
- Was the expenditure *incurred* during the period of performance?
- If near the end of the project – was the item *received* and *in use* before the end of the project period?
- Has all income been collected and deposited?
- Has budget been loaded?
- Has all income been expended?




# Financial Management

## Cost Transfers

Uniform Guidance Section 200.405(c):

*"Any costs allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal award, or for other reasons."*




# Financial Management

## Cost Transfers

It is extremely important that all expenditures be initially charged to the appropriate Fund.

- Under no circumstances may expenditures be placed onto a sponsored fund for reasons of convenience or funding availability with the intention that they will be moved to the proper FOAP (FOAP/sponsored project that benefited from the expense) at a later date. Such "parking" of costs violates the costing guidelines and is strictly prohibited. For this reason, the project director and others involved in administering awards should seek to ensure that expenditures are always recorded correctly.




# Financial Management

## Cost Transfers – Responsibilities

**Principal Investigators (PIs) and his/her responsible department**

- Make every effort to ensure expenditures are recorded correctly the first time and all expenditures are:
  - Allowable (allowed to be charged according to federal costing guidelines; Auburn University policies; and sponsor restrictions)
  - Reasonable (reflects the actions of a prudent person)
  - Allocable (the cost provides a direct benefit to the project)
  - Consistently treated (the same type of cost in like circumstances is treated the same across Auburn University)
- Review financial reports monthly to facilitate timely discovery and correction of errors
- Provide an adequate explanation of how the error occurred and how the project receiving the transfer was determined to be the correct one.

**Explanations such as “to correct error” or “to transfer to correct project” are insufficient.**



# Financial Management


## Cost Transfers – Responsibilities

**Principal Investigators (PIs) and his/her responsible department**

- Avoid transfers which “spend down the award” or involve transfers from over-expended FOAPs to FOAPs with large balances, simply because “that’s where the money is”
- Prepare appropriate documents in Self Service Banner, attach all supporting documentation, and submit them to Contracts and Grants Accounting for review

**Contracts and Grants Accounting**


- Review and approve or disapprove all cost transfers involving sponsored projects
- Review the justification for cost transfers over 90 days old and determine appropriateness of the transfers



# Financial Management

## Cost Transfers

- In the event cost transfers become necessary, the general deadline for processing such transfers TO sponsored FOAPs is no later than **90 days after expenditure was incurred**.
- Cost transfers TO sponsored FOAPs after this period are generally not allowed, but may be permitted under extenuating circumstances.
- Cost transfers FROM sponsored FOAPs to unrestricted FOAPs will be processed regardless of when the expenditure was incurred.
- All cost transfers involving sponsored FOAPs or cost share FOAPs are to be approved by Contracts and Grants Accounting.




# Financial Management

## Cost Transfers – Responsibilities

When transferring TO a sponsored fund, additional questions will be asked:


- 1) Why was the expense not originally charged to the fund to which it is being transferred? Please explain fully. (An explanation that merely states that the transfer is “to correct an error” or “to transfer to correct project” or “expenditure inadvertently charged to incorrect fund” is insufficient.)
- 2) What is the benefit to the fund being charged? Describe how this charge is a proper and allowable cost to the sponsored project.
- 3) What action is being taken to prevent the necessity for this type of transfer in the future?



# Financial Management

## Invoicing, Receivables, Financial Reporting to Sponsors

- Invoices are PC generated
- If DVs are required, balance and tie back to invoice
- Record as University receivable before distributing
  - Forms FRIGITD and FRIGTRD as a guide
  - Review expenditures
- Payments should be processed by CGA. If check is mailed to your office, please forward to CGA.



# Financial Management

## Invoicing, Receivables, Financial Reporting to Sponsors

Invoices include the following required certification statement:

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812.)”



