

Sponsored Programs Accounting

Winter 2008

NEWSLETTER

This newsletter is published four times a year and will include regular features, process changes, sponsoring agency announcements, a calendar of upcoming events, and personal introductions to SPA staff.



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Message from the Director

One of the big challenges related to sponsored programs administration is managing the differences among federal, state, and private sponsors. Although there are common requirements, even awards from the same sponsor can have very different requirements depending on whether or not the award includes cost sharing, program income, participant support, or foreign travel, to name just a few. The University benefits from the diversity of its external funding. Sponsored projects support and enhance almost every aspect of the University's mission. The differences, however, create challenges in understanding and communicating these requirements to University faculty and staff that have direct post award fiscal and administrative responsibilities.

One of the ways we manage these differences is through regular communication with faculty and staff about sponsored programs administration and related University internal control policies and procedures. For example, Ms. Yancey Moore is responsible for communicating directly with new principal investigators and department administrators to discuss their roles and responsibilities related to sponsored programs in a one-on-one learning environment. In addition to Ms. Moore, we have a highly qualified and committed team of professionals who provide day-to-day oversight and assistance to their assigned academic, research, and administrative units.

We also offer the Sponsored Programs Accounting & Regulatory Certification (SPARC) training program



to department administrators and other staff who provide direct post award fiscal and administrative support of sponsored projects to principal investigators. Each of the five SPARC workshops is offered at least twice a year through the Center for Professional Development and provides workshop participants with everything they need to know about administering a sponsored project.

The SPA Newsletter will reinforce these already existing communication and training initiatives. Four times a year, the newsletter will include regular features such as frequently asked questions, updates on new procedures and/or process changes, sponsoring agency announcements that affect post-award administration, a calendar of upcoming events, and personal introductions to SPA staff. So welcome to the first issue of the Sponsored Programs Accounting Newsletter. If you have any questions or comments, feel free to contact me or any member of the SPA Team.

Bill Harrison
Director

New SPA Procedure

Project Accounts to Track Participant Support Costs

In September 2008, SPA established “P” project accounts for all federal awards with budgeted participant support costs. These accounts begin with the letter “P” and the last four digits of the project account are the same as the last four digits of the main project account.

What are Participant Support Costs?

Participant support costs are those costs paid to (or on behalf of) participants or trainees (but not employees) in meetings, conferences, symposia, and workshops, when there is a category for participant support costs in the award budget. Participant support costs can include registration fees, travel allowances, manuals and supplies, and tuition and stipends. The National Science Foundation (NSF) and the Department of Education currently issue awards with budgeted participant support costs. Examples of special programs with participant support costs include the NSF’s Research Experience for Undergraduates (REU) and Research Experiences for Teachers (RET) programs.

How are they different from other costs?

In general, participant support costs are subject to special regulations including but not limited to the following:

- re-budgeting from the participant support cost category into other categories requires prior sponsor approval
- the University cannot apply Facilities & Administrative (F&A) costs to participant support costs although an administrative allowance, limited to 25% of the participant support stipend amount only, is allowed for some programs in lieu of F&A costs
- any unexpended participant support costs must be returned to the sponsor

Why are we making this change now?

Over the past year, the number of sponsored projects with participant support costs budgeted has grown dramatically; therefore to ensure that the University can continue to meet these special restrictions SPA created project accounts specifically designed to accumulate participant support costs. This change will enable principal investigators and department administrators to monitor participant support costs in a separate account and ensure that funds provided by federal sponsors are not inadvertently used in other budget categories or assessed F&A.

How do P-accounts work?

Participant support accounts begin with the letter “P” and have the same last four digits of the project number as the main award. For example, federal award project number 30123 contains several budget categories, including participant support costs. There will be two projects established in this case:

30123 – Contains all budget categories in the main award, excluding participant support costs

P0123 – Contains budget for participant support costs under award 30123

There is also a “parent” account that combines the budget and actual activity for the main award and the P-account. In the example above, the parent account will be PF123. The letter “P” identifies this as a parent account, the letter “F” identifies that this is the parent account for a federal project, 123 are the last three digits of the main award and the P-account. The SPA Grant Statement for PF123 will combine all budget and actual activity for projects 30123 (main award) and P0123 (participant support cost).

If I have participant support costs in my award, what should I do differently?

PIs and administrators should now directly charge all participant support costs to the “P” account project number, using the appropriate object codes. And don’t forget to include the “P” accounts when reconciling grant statements each month.

- ▶ If you would like additional information or have any questions about participant support costs or this new process, please contact Yancey Moore, PI Mentor/Training Specialist at **475-5354**, ylmcto@rit.edu or your SPA representative.

Best Practices

Monthly SPA Grant Statement Reconciliations

What is a SPA Grant Statement reconciliation?

Grant statement reconciliation refers to the process of comparing departmental records of grant financial transactions such as copies of Invoice Payment Forms, Travel Expense Reports, and other documentation to actual transaction detail that has been recorded in the Oracle financial system. Reconciliation also refers to the process of ensuring that recorded financial transactions directly support the award's programmatic outcomes and adhere to any sponsor imposed restrictions on the expenditures.

Why perform a monthly reconciliation of the SPA Grant Statements?

Timely reconciliations are a best practice and internal control that is effective in preventing and detecting errors or irregularities on sponsored programs. In addition, since data entry errors or other mistakes may occur when information is entered into the Oracle system from various sources, it is important to identify the errors quickly and make corrections each month to avoid reporting and billing errors to sponsors and to prevent cost disallowance in the event of an external review or audit.

While in most cases, administrative staff handle day-to-day transactions and the matching of those transactions to the Oracle system, it is important to schedule a time to review the results of the monthly reconciliation with the project's Principal Investigator (PI) or Program Director since he/she has direct knowledge of the project's scope of work, its activities and the sponsor's requirements and expectations.

Documentation of the reconciliation process

Signing the grant statement or Certification Statement is the final step and it serves to document that the PI or Program Director is satisfied with the reconciliation and the actions taken by staff to correct any errors or discrepancies review.

Documentation that the reconciliation has taken place can take several forms. For example, some documentation options are to sign or initial the actual financial reports, sign or initial the [Monthly Grant Statement Certification](#), or sign or initial a monthly log of reconciliations if the PI has more than one or two sponsored projects.

- ▶ If you are interested in learning more about the grant reconciliation process, please contact Ms. Yancey Moore at **5-5354**.

Spotlight – Meet:



Yancey Moore
PI Mentor/Training Specialist

Yancey Moore joined Sponsored Programs Accounting on April 9th, 2007. She brings to RIT 22 years of experience in the finance and accounting field; 14 of those years serving as the Finance Director for two different not-for-profit organizations in the Rochester community. While leading the day-to-day operations for these organizations, Yancey developed the skills needed to effectively communicate and “put-into practice” processes and procedures related to grant and contract administration. Yancey’s role here at RIT is to provide direct support to new principal investigators and department administrators. Fiscal administration of a sponsored project can be a complex process – her goal is to demystify both internal and external fiscal processes and procedures as well as compliance requirements. Yancey also plays a key role in SPA’s education and outreach efforts, including the SPARC (Sponsored Program Accounting & Regulatory Certification) program. More information about this certification is available on the Sponsored Programs Accounting website:
<http://finweb.rit.edu/controller/sponsored/docs/sparcworkshop.pdf>



Spotlight – Meet:



Bob LaFleur
Sr. Staff Accountant

Bob LaFleur originally joined RIT in 1998 as an accountant for the RIT Research Corporation. In 2002, Bob joined Sponsored Programs Accounting where his responsibilities included accounts receivable, financial reporting, and providing day-to-day accounting support for fiscal administration of grants and contracts to selected areas within the University. After a brief stint outside of RIT, Bob decided that he'd like to resume his professional career in grant and contract accounting, an area that he feels passionate about. Bob rejoined RIT on October 22nd 2007. With Bob's 10-year tenure at RIT, he brings a solid knowledge base of internal and external fiscal processes and procedures, as well as compliance requirements. Bob is also an RIT alumnus, having just completed his B.S. in Accounting last May after eight and a half years of part-time studies. He earned his degree with a 4.0 GPA and received the RIT Outstanding Undergraduate Scholar Award – a recognition reserved for “elite” undergraduate students.

Bob provides accounting/finance support to the following areas:

- Substance and Alcohol Intervention Services for the Deaf
- Golisano College of Computing and Information Sciences
- National Technical Institute for the Deaf

Equipment FAQs

Who owns equipment purchased with federal grant or contract funds, the University or the Federal Government?

In general, the University owns all equipment purchased or fabricated with Federal funds unless otherwise stated in writing in the award agreement.

I purchased equipment on my Federal project. Can I use the equipment on other sponsored projects or activities?

Yes, you can use the equipment purchased with your Federal award on other projects or programs as long it does not interfere with the work on the original project. Preference should be given first to other projects sponsored by the Federal agency that funded the purchase of the equipment and second to projects sponsored by other Federal agencies.

I recently purchased a laptop computer on my Federal project. Can I also use the Laptop computer on my instructional activities?

No, general purpose equipment (i.e., equipment that is not limited to research, medical, scientific or other technical activities) such as computers and printers is generally unallowable as a direct cost to your Federal project unless the equipment is “primarily or exclusively used in the actual conduct of research” and the purchase is approved in advance by the sponsor.

Can I purchase a laptop computer on my Federal project if the computer was not included in the original proposal?

Yes, but you may have to obtain approval from the sponsor in advance of the purchase. You should contact Sponsored Research Services (SRS) prior to purchasing any unbudgeted equipment to determine whether sponsor approval and/or notification is required. If justified and allowable, SRS will contact the sponsor and obtain prior written approval.

Equipment FAQs

I intend to fabricate equipment with my grant funds. Is there anything I need to know before I begin purchasing the component parts and assembling the equipment?

Before purchasing the component parts and assembling the equipment, you should complete an [RIT Capital Equipment Fabrication Request Form](#) and forward the completed form to SPA. Your SPA Representative will review the form and the award document to ensure this activity has been approved by the sponsor. SPA will forward the Form to Property Control and notify you that object code 16250 – Cap Equipment Fabrication > \$1500 has been enabled on your project account.

I am planning to build more than one piece of fabricated equipment. Is there a way to separately track the cost of each item in Oracle?

Yes, inform your SPA Representative who will enable multiple capital equipment fabrication objects codes (16250, 16251, etc...) in your project account to separately capture the cost of each piece of fabricated equipment. The actual expenses for the component parts of each piece of fabricated equipment are then charged to the respective object code assigned to that item.

Can I use my department's Procurement Card to purchase the component parts for an item of fabricated equipment?

Yes; however, the purchase of component parts cannot be assigned to object code 16250 – Cap Equip Fabrication > \$1500 in PaymentNet. Therefore, you will need to initially use object code 73006 – Supplies – General, 73356 – Supplies – Lab and Medical, or 84006 – Equipment - < \$1500 to record the purchase of the component parts. Before purchasing the component parts, please contact your SPA Representative who will enable one of these 3 object codes on your project account. At least once a month, you should process a journal entry to move the costs from any of these three object codes to object code 16250 to ensure that F&A costs are not erroneously applied to the project. This journal entry will require SPA approval; forward a copy of the journal entry, a [Cost Transfer Cover Sheet](#), and the invoices to support the charges being moved to your SPA representative.

Training Events

Workshop	Description	Date
I	Introduction to Accounting for Grants and Contracts	October 28, 2008
I	Introduction to Accounting for Grants and Contracts	February 10, 2009
II	Other Direct Costs	February 26, 2009
III	Compensation and Effort Reporting for Grants and Contracts	April 14, 2009
IV	Accounting for Cost Share Commitments	March 17, 2009
V	Audits and Compliance	June 16, 2009
VI	Annual Recertification Workshop	June 23, 2009