Accounting Services for Research and Sponsored Programs (ASRSP)

Research Accounting
Research Accounting

- Overview of ASRSP
- Tools & Resources
- Navigating Grant Management
- Audit: Hot Topics
- Award Closeout
- Additional Training
ASRSP Mission

To provide exceptional financial administration to sponsored research grants and contracts.

We are committed to the highest standards of financial stewardship and compliance with both University and sponsor regulations.
Key Functions of ASRSP

- Financial Reporting
- Collecting Revenue
- Coordinating Audits
- Transaction Review & Approval
- Award Closeout
ASRSP Teams

Cash Management
- Reports to Peg Morrisroe
- Apply Payments

Special Projects
- Reports to Svetlana Kanev
- Audit and Transaction (Expense) Reviews

Financial Reporting
- 3 GCFA groups report to Howard Ventura, Felice Patterson, or Kathy Mustea
- Reporting, Invoicing, Closeout

Information Management
- Reports to Jarrod Routh
- IT and Data Reporting

Subcontract Management
- Reports to Kathy Watson
- Subcontract Payments
ASRSP Snapshot

In Fiscal Year 2017 (9/1/16 – 8/31/17):

- $747 million in sponsored research expenditures
- 4,922 financial reports submitted
- 7,062 cost reimbursable invoices sent
- 7,506 payments applied in NUFinancials
- 4,748 subcontract invoices processed for payment to subrecipients
Lots of essentials available, including today’s handouts:

1. Charging Sponsored Projects – Allowability Guide
2. Sponsored Project Purchase Justification Form
3. Request to Allocate an Expense Across Multiple Projects
Award Management
Navigating Grant Management

Avoid potential obstacles or “icebergs” by understanding:

• Timeliness of expenditures
• Approver responsibilities
• Audit topics and best practices for spending & payments
• Where to go with questions and to learn more

Being proactive is key!
The Clock Starts Ticking!

General accounting rule:
Post expenses within 90 days of occurrence

How do I best ensure timeliness?

- Create a spending plan to monitor expenses from beginning of award
- Adhere to deadlines
- Make purchases in adequate quantities over the life of the grant
Approver Responsibilities

Department approver should:

Audit Transactions

• Does transaction adhere to sponsored project cost principles?
• Was the correct account code used?
• If a Service (account code starts with 75***), does the transaction include a quote or attachment?
• Is there a PI signature? (may be required for some transactions)

Explain Transactions

• Specify the importance and benefits to the grant (e.g., expense report audit, consultant, corrections journals, equipment/computer purchases)

Backup or Support Transactions

• Always attach support if you have special circumstances that raise red flags
• Expedite the transaction approval through explanation and planning ahead
Audit Topics

- Consultant Fees & Payments
- Subrecipient Monitoring
- Travel: General Regulations, Visa Fees, Air Carriers
- Purchases:
  - Capital Equipment
  - Computers
  - Procurement Cards (P-Cards)
- Cost Transfers
- Overdrafts
Consultants: What’s Required?

**Work plan** (e.g., work, scope, deliverables, payment terms) must be in place **before** any work is completed
  - Work must directly benefit the grant

**Correct Classification**
  - Cannot be classified as employee or subcontractor
  - US residents and non-residents are paid differently

**Contracted Services Approvals Form (CSF)**

**Payment terms**
  - Flat fee for deliverable, hourly rate/expected hours for completion of work, and possibly, a monthly deliverable schedule
  - Pay always based on receipt of **timely**, itemized invoice
Consultants: Fees & Payments

Speaker Fees:

• Normally not allowable on sponsored projects
• Exceptions include: Conference Grants, Training Grants, and specifically included on the approved budget

Payments:

• May come from HR or Accounts Payable
• Must complete a **Contracted Services Form** after completion of service period; ASRSP reviews and approves form
• Missing information will delay payment

[Introduction to Consultant Payments Mini Course](#)  
[SPOT: Proposal Budgets 102](#)  
[Checklist to Determine Subrecipient vs. Contractor Involvement](#)
Approver/Contracted Services: Interactive Activity
Please work with a partner.

You have 5 minutes to come up with your list of errors. We will discuss the results as a group afterwards.
Contracted Services Form

Contracted Services Form for U.S. Residents

Requestor: Ned Stark
Department: FSM
Dept Code: FSM
Phone: 847-555-5555
Email: n-stark@northwestern.edu

Voucher #: 005555
Payee ID: 0000055555

This form must be completed each time services are rendered by an individual consultant or independent contractor.

Contractor Information

Name: Joe Contractor
Address Line 1: 555 Mulberry Lane
Address Line 2: Apt 1
City, State, Zip: Evanston, IL 60203

Additional Description of Services (for sponsored project, also describe the benefit to the award):

Work done per terms for the Department of Education Award

Contractor's Acknowledgment

I understand that payment will not be issued until performance and completion of the contracted services, and that the date of payment cannot be prior to the work completion date. I understand that agreed upon expenses will not be reimbursed unless I complete a Visitor Expense Report and attach original receipts.

I certify that I have not been paid as an employee of Northwestern within the last twelve months. I understand that this payment does not include any employment benefits or tax deductions and that the payment of these is my responsibility.

Contractor Signature: Joe Contractor
Date: 6/2/15

University Payment Request

Services start date: August 1, 2014
Services completion date: July 31, 2015

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>Fund</th>
<th>Dept</th>
<th>Project</th>
<th>Act</th>
<th>Program</th>
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<td>Services</td>
<td>610</td>
<td>5555555</td>
<td>5005511</td>
<td>75010</td>
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<td>Reimbursable Expenses</td>
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<td>Other (description):</td>
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<td>Travel Expenses (from Visitor Expense Report)</td>
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University Approvals

I approve the payment for services and expenses noted above. The cost was incurred in conformance with the current HR policy on Independent Contractors and Consultants on the Northwestern web site. If charged to a Sponsored Project account, it is understood and agreed that these expenditures are subject to review and audit and if found to be unallowable, they will be transferred to a non-sponsored departmental account. The payment requested includes only the expenses associated with the contracted services, is not in payment of honorarium or for subsistence, and is not in avoidance of immigration restrictions, Affirmative Action requirements, payment of fringe benefits, statutory taxes, fees, insurance premiums or any other applicable statutory employment regulation.

Approve:

<table>
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<tr>
<th>Name (print)</th>
<th>Signature</th>
<th>Date</th>
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<tbody>
<tr>
<td>Principal Investigator or Hiring Representative</td>
<td>J. D. Smith</td>
<td>6/27/15</td>
</tr>
<tr>
<td>School or Center</td>
<td>Dan Admin</td>
<td>6/27/15</td>
</tr>
<tr>
<td>OSR or Controller</td>
<td>Dan Admin</td>
<td>6/27/15</td>
</tr>
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</table>
# Invoice from Services

**Joe Contractor**

555 Mulberry Lane, Apt. 1  
Evanston, IL 60208  
Phone: 847-555-1212  
Fax: 847-555-1200  
jocontractor@hmail.com

**TO**: NURULES Center  
Northwestern University  
2145 Sheridan Road, M-111  
Evanston, IL 60208  
847-467-5555

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<table>
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<tr>
<th>DATE OF SERVICE</th>
<th>JOB</th>
<th>PAYMENT TERMS</th>
<th>DUE DATE</th>
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<tr>
<td>1/1/2012 - 1/31/2012</td>
<td>NURULES548</td>
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<thead>
<tr>
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<th>DESCRIPTION</th>
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<th>LINE TOTAL</th>
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<tbody>
<tr>
<td>9 hours</td>
<td>Editing, formatting &amp; creating winter quarter newsletter for NURULES center</td>
<td>$50/hour</td>
<td>$450.00</td>
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<tr>
<td>1 hour</td>
<td>E-mail and USPS distribution of winter quarter newsletter for NURULES center</td>
<td>$50/hour</td>
<td>$50.00</td>
</tr>
</tbody>
</table>

**SUBTOTAL** $500.00  
**SALES TAX** $0.00  
**TOTAL** $500.00
Overview of Subrecipient Monitoring

*Handled by Sponsored Research, ASRSP, and the department*

**OSR**
- Risk Assessment
- SAM.GOV
- Work with ASRSP on Management Decision and discuss special language required
- FFATA

**Dept./School**
- Review and approve invoices and back-up documentation
- Collect Technical Reports and monitor programmatic progress
- Communicate issues PI may have with site
- Expedite approval

**ASRSP**
- Review Invoices
- Manage timely payments
- Annual Single Audit Review
- Management Decision letter and follow up
- Communicate with OSR and GCFA
- SAM.GOV
Subcontract Payment Process

1. **OSR sends Dept. Fully Executed Amendment**
2. **Department creates Requisition in People Soft + Receiver Required (Y)**
3. **ASRSP receives and forwards invoices to the Department**
   - **Invoice returned to ASRSP from Department for processing with Accounts Payable**
   - **Department approves receiver required field in People Soft**
   - **Invoices are certified by PI that costs charged are acceptable and work has been performed**
4. **ASRSP reviews and then mails check to vendor along with a copy of the invoice**
5. **AP sends check to ASRSP**
Additional online training resources will be coming in the near future for subcontract/subrecipient monitoring!
General Travel Regulations

• Abide by Northwestern Cost Principles (e.g., Allowability)
  • Working lunches and local meals are not allowable
  • Alcohol is not allowable
  • Penalties, fees, and upgrades are generally not allowable
  • Professional development and networking expenses are not allowed on grants

• Must directly benefit the grant and be allowed by sponsor and within sponsor guidelines/award terms

• Must be completed within award budget period

• Reimbursement can only be made upon completion of travel
  • Original itemized receipts required, unless per diem option is selected prior to travel
  • Reasonable and actual costs of lodging
Travel: Visa Fees

• Fees for visas are allowable when foreign travel is authorized as part of the budget, and a visa is necessary for travel

• Sponsor-specific rules:
  • NIH allows visa fees for employees only for recruitment purposes; renewal applications are not allowable
  • NSF does not allow visa fees for employees
  • For other federal agencies, the determination of allowability is still pending
Travel: Air Carriers

Fly America Act:
• Federal law prohibits use of a foreign air carrier when travel is paid for by federal funds, with limited exceptions*

Open Skies Agreement:
• Dept. of Defense does not allow an Open Skies exception to the Fly America Act
• Air carrier allowability:
  ▪ US air carriers are the easiest options for foreign travel
  ▪ Air carriers from European Union members states is allowable for non-DOD federal grants
  ▪ Air carriers from Australian, Japanese or Swiss may be allowable
• University preferred travel vendors are there to help
Capital Equipment Purchases

$5,000+ and useful life of 1+ years

- Uniform Guidance describes equipment use, title, inventory and disposal requirements
- Purchase within final 3 months of grant is an audit red flag
- ASRSP reviews and approves equipment expenditures
- Government titled property is managed by ASRSP
- **Procurement** of items over 10K require multiple bids
Computer Purchases

• Must be necessary for and provide benefit to the project

• Must be directly allocable to the project

• Must be reasonable

• Uniform Guidance requires justification for computer purchase
  • Use Sponsored Project Purchase Justification Form
  • The account code used is computer non capital 77030 or 77570 for capital
Procurement Cards

- A tool to streamline low-value purchasing transactions
- Does not avoid or bypass appropriate procurement or payment procedures
- Not used for travel and entertainment purposes

- Include a detailed description of the item being purchased
- Be sure to keep all backup documentation, such as the P-Card log and receipts, for audit purposes
- ASRSP reviews all charges at the end of a grant, including P-Card charges, for unallowable items
Cost Transfers

Support for cost transfers includes:

- Description of the expense item
- Explanation of how the expense benefits the grant
- If it is travel, who traveled, to where, for what and the date of the travel
- Detail why or how the expense was charged incorrectly
- No need to say “moving from project A to project B”
- **Timeliness is very important!**
Overdrafts

Expenditures exceeding the awarded amount

- Overdrafts are an **uncollectable cost**
- Department is responsible for funding these costs
- Transferring overdrafts to another sponsored project is **not allowable**
- Overdrafts typically **cannot** be transferred to continuation award
- ASRSP will charge department or center chartstring if overdraft is not resolved
Award Closeout

Collaborative effort to coordinate the completion of a project, to meet all requirements and deliverables established as a condition of the award.
Award Closeout

- Begins **90 days** before a grant ends
- A time to settle all expenses that belong on the grant and send final reports due
- **Reconciliation** throughout the sponsored project period assists with a smooth closeout
- Department should strive to post all expenses on a grant by the end date to avoid loss of funding
Award Closeout Timeline

**Closeout Email**
PI and RADM receive a closeout email and talk about closeout plans

**Prespending?**
Dept requests prespend chartstring for competing continuations

**Effort Check**
30 days before effort reviewed. Respond to emails that require corrections ASAP

**Award End Date**
Grant has ended. No new expenses should post

**Finalize Expenses**
Dept follows up on unposted expenses, and communicates status to ASRSP

**FFR DUE**
ASRSP reviews expense for allowability, will submit before deadline and close chartstring

**-90 to -60 days before**
- **No Cost Extension?**
  Dept either requests a NCE or begins final spending plan
- **Review Expense & Encumbrances**
  Dept ensures encumbrances are valid, reviews expenses to ensure they are allowed, and initiates final POs or corrections
- **Internal Services Stop**
  Dept should inform lab staff & internal service centers to stop using chartstring

**-30 days before**
- **Final Progress Reports**
  PI prepares & submits. Dept should keep a copy in file ready for auditors’ request
- **Final Invention Statement**
  PI should Submit through Sponsored Research

**30 days after**
- **Final Effort Reports**
  PI & Dept certify final effort reports
- **Carryover Request**
  PI submits carryover request to Sponsored Research, if terms require approval

**60 days after**

Transfer or Relinquishment

- Transfer or relinquishment is like an “emergency” closeout

- Complete ESPR request 90 days prior to transfer or close
  - Email ASRSP GCFA about any transfer or relinquishments
  - ASRSP will help you determine amount to relinquish or Transfer

- Make arrangements made for project personnel/animals

- Inform ASRSP to prepare financial report and close chartstring

- Follow standard closeout procedures

- ORI Check-out Procedures for PI’s PDF check list
Award Closeout Online Training

Sponsored Project Online Training (SPOT) Course: Award Closeout Basics

• Understand the responsibilities of participants in the closeout process
• Be able to access and use tools that facilitate closeout
• Identify the actions and documentation required for closeout to occur

Register via myHR Learn:
learn.northwestern.edu
Additional Training

ASRSP
- **Brown Bag Presentations, Semiannual Networking, Online Mini Courses, and Additional Training**

Sponsored Research
- **Presentations, SPOT, In-Person Training, Microlearning, Job Aids, and Additional Information**

NUFinancials
- **Entering Expenses**
- **Estimating Grant Expenses**
- **Visitors Expense Report** [Travel]

Cognos
- **Reading and Running Reports**

InfoEd
- **Grants Management**
Questions?