

# Financial Grants Management

W-W-W-H-A-T

Research Administration

Demonstration Training

December 4, 2015

# Training Contents

## W-W-W-H-A-T

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# WHAT - PURPOSE

Reconciling accounts on a regular basis will help you manage your sponsored projects to ensure expenditures and revenues are within appropriate limits and guidelines. Effective award management supports the PI in accomplishing the statement of work on time, within budget, and in compliance with University policy and as well as sponsor regulations.

UT Southwestern's [Financial Controls and Monthly Financial Review Procedures](#) communicate UT Southwestern's fiscal responsibilities in accordance with UT System Administration Policies & Standards. More information can be found in the UT System Policy on the [Annual Financial Report](#) UTS 142.1.

# WHAT – PURPOSE (CONT'D)

UT Southwestern expects department managers to provide oversight on how funds are used including ensuring;

- Authorization to expend the funds exists,
- Funds are handled in accordance with relevant fiscal policies (e.g. funds are spent appropriately in compliance with UTSW policy, as well as the sponsor, donor or federal guidelines),
- Valid chart fields are consistently and accurately used to record financial transactions,
- Processes and internal controls are in place,
- Financial activity is reviewed for accuracy on a regular basis and reconciled to the departmental subsidiary systems on a regular basis (if applicable).

# WHO – ROLES & RESPONSIBILITIES

## Principal Investigator &

### Departmental Support

- Administers award in accordance with Uniform Guidance.
- Review sponsor guidelines for terms of award and ensures adherence to sponsor guidelines and institutions policies.
- Initiate salary distributions, purchase requisitions, check requests, expense reimbursements, and purchasing card transactions to appropriate sponsored projects.
- Monthly review of all charges

## Sponsored Programs Administration

- Award set up of sponsored project and notifies PI/Departmental Support of new subledger for sponsored project.
- Review sponsor guidelines for terms of award and ensures adherence to sponsor guidelines and institutions policies.
- Provides guidance to PI/Departmental Support regarding allowability of costs.
- Approve expense transactions on sponsored projects.

# WHO – ROLES & RESPONSIBILITIES

## Principal Investigator & Departmental Support

- Initiate request for cost transfers to include system generated documentation reflecting original expense entry
- Initiate rebudget requests
- Timely submission of cost share supporting documentation, where applicable
- Requests for No Cost Extensions / Notification of Continuation Funding to SPA
  - Coordinate extension request with SPA-Pre Award
- Preparation of carryover request (if approval required)
  - Provide Carryover Request Letter
  - Provide Carryover Budget

## Sponsored Programs Administration

- Process cost transfer requests for approval in PeopleSoft system
- Process rebudget requests
- Email notifications of approaching end dates
- Submission of No Cost Extension Requests to Sponsor
- Submission of Carryover Requests to Sponsor

# WHO – ROLES & RESPONSIBILITIES

## Principal Investigator &

### Departmental Support

- For sponsored projects in its final year, clear encumbrances/POs
- Resolution of overdraft or unused funds on sponsored projects

## Sponsored Programs Administration

- Final review of charges on grant to ensure compliance
- Refund unspent funds
- Preparation of ALL financial reports
  - Federal Financial Report (FFR)
    - Award-specific
    - Quarterly cash reconciliation
  - Report of Expenditures
- Audit Requirements
  - Program-specific
  - A-133 audit

# WHY – WHY MONITOR / WHY ME

- The Office of Management and Budget developed circular A-21 (now 2 CFR, Part 220) to describe the treatment of costs on sponsored project activities (direct and indirect) that can be billed to the federal government.
- Uniform Guidance applies to all federally funded projects including federal funding through a non-federal agency.
- From the Uniform Guidance, “The recipient institution is responsible for ensuring that costs charged to a sponsored agreement are allowable, allocable, and reasonable...”
- The UT Southwestern accounting system places considerable authority and responsibility directly with the Principal Investigator and their respective departmental personnel.



# WHY – WHY MONITOR / WHY ME

- Such a system requires the development of significant expertise at the department level and relies heavily upon the compliance of principal investigators, administrative assistants and those who create accounting documents.
- Charges on grant accounts are certified by Principal Investigators to confirm the appropriateness of the expense each month.
- UT Southwestern expects sponsored projects expenditures to be managed in conformity with the budget for an activity and deviations should be clearly explained.
- It is especially important to understand that deviations from the budget may require approval from the sponsor.

# WHY – WHY MONITOR / WHY ME

- Also, any expenditure in excess of the authorized budget must be transferred to another allowable source.
- All expenses over and above the sponsors approved total awarded amount will not be approved for reimbursement by the sponsor and therefore must be moved to an alternate source of funds.

# RECENT AUDITS AND SETTLEMENTS

Stanford University  
Unallowable Costs  
\$3.1 million

Johns Hopkins University  
Overstatement of Committed Effort  
\$2.6 million

Florida International University  
Improper Billing for Scientists' Time & Travel  
\$11.5 million in requested refund

Northwestern University  
Effort Inappropriately Charged  
\$5.5 million

George Washington University  
PI Fraud  
\$10 million

East Carolina University  
Incorrect Effort Reports and  
Equipment Charge Not Used on  
Grant  
\$2.1 million



University of South Florida  
Equipment Purchases After Grant  
Ended  
\$4 million in clerical costs

Harvard  
Effort Reporting  
\$2.4 million

University of Chicago  
Mischarging Federal Grants  
\$650,000

Mayo Clinic  
Unallowable Charges  
\$6.5 million

University of Connecticut  
Training Grant Issues  
\$1.3 million

University of Minnesota  
Program Income and Clinical Trials  
\$32 million

# HOW – WHAT TO LOOK FOR

TASK	SYSTEM(S) SOURCES	SUGGESTED REPORTS
<b>MONTHLY BUSINESS PROCEDURES</b>		
Review payroll reports to verify that hires, terminations, leaves, salary changes, etc. have been properly recorded.	PeopleSoft HCM	<a href="#">Department EOPE Report</a> <a href="#">Payroll to GL Recon Report</a> <a href="#">Leave Activity Report by Report-To</a> <a href="#">HCM Payroll Reports by Funding Dept.</a>
Respond to communications from Accounts Payable regarding PO/ voucher approvals, amounts, etc. to ensure timely posting in the financials.	PeopleSoft Accounts Payable and/or Purchasing module	<a href="#">PeopleSoft Accounts Payable Inquiry</a> <a href="#">Purchasing Inquiry</a> <a href="#">Requisition Inquiry</a> <a href="#">PeopleSoft GL Summary</a>
Verify that approved vouchers have been processed and paid.	PeopleSoft Accounts Payable and/or Purchasing module	<a href="#">PeopleSoft Accounts Payable Inquiry</a>
Obtain and file monthly statements and receipts from purchasing cardholders.	BuyCard	Marian Colorado (Purchasing)

# HOW – WHAT TO LOOK FOR

TASK	SYSTEM(S) SOURCES	SUGGESTED REPORTS
Check recurring charges (i.e. telecommunications, copier(s) for existence and reasonableness.	PeopleSoft Financials  OAS Archived Reports UTSW Administration > Decision Support > Financial and HR Reports > *OAS Legacy Reports > Department Reports > Financial Reports	<a href="#">PeopleSoft GL Summary</a>  Full list of reports will populate <a href="#">OAS Archived Reports &gt; Department Reports</a>
Process accruals for any unrecorded revenue or expenses (for admin departments).	PeopleSoft Financials	<a href="#">PeopleSoft GL Summary</a> <a href="#">Hospital Income Statement</a> <a href="#">UTSW MDF Report</a>
<b>REVIEW TRANSACTIONS</b>		
Salary and benefits expense. Verify the employees and amounts are correct.	PeopleSoft HCM	<a href="#">Payroll to GL Recon Report</a> <a href="#">HCM Payroll Reports by Funding Dept.</a>
Review payroll reports for disallowed fringes (fellowships/training grants/private sponsors )	PeopleSoft HCM	<a href="#">Payroll to GL Recon Report</a> <a href="#">HCM Payroll Reports by Funding Dept.</a>

# HOW – WHAT TO LOOK FOR

TASK	SYSTEM(S) SOURCES	SUGGESTED REPORTS
Travel and entertainment expense. Verify the expense is legitimate.	PeopleSoft Financials	<a href="#">PeopleSoft GL Summary</a> <a href="#">Reimbursement Report by Report-To</a>
Telecommunications & desktop support expense. Verify the accuracy of the amount charged.	PeopleSoft Financials	<a href="#">PeopleSoft GL Summary</a>
Transactions from unfamiliar or questionable authorities reviewed.	PeopleSoft Financials	<a href="#">PeopleSoft GL Summary (Exceptions)</a>
Large amounts reviewed.	PeopleSoft Financials	<a href="#">PeopleSoft GL Summary</a>
Miscellaneous expenses reviewed.	PeopleSoft Financials	<a href="#">PeopleSoft GL Summary</a>
<b>REVIEW FINANCIAL ACTIVITY</b>		
Review current activity compared to past trends.	PeopleSoft Financials	<a href="#">Dept. Financial Summary Reports &amp; Subledger Reports</a> <a href="#">All Funds Reports</a> <a href="#">PeopleSoft GL Summary</a>

# ALLOWABLE, ALLOCABLE, REASONABLE

Monitoring awards ensures expenditures are allowable, allocable, and reasonable to a specific sponsored project in accordance with award budget, sponsor guidelines, and UTSW policy.

**Allowable:** A cost is allowable to a project if the costs are:

- Reasonable;
- Allocable to the specific project;
- Treated consistently in like circumstances; and
- Conform to any limitations of the cost principles or the sponsored agreement.

**Allocable:** A cost is allocable to a project if goods or services involved are chargeable or assignable in accordance with the relative benefits received by the projects. In order to be allocable a cost must be treated consistently in like circumstances.

**Reasonable:** Costs must reflect what a “prudent person” would pay.

For further information see [2 CFR 220 \(OMB Circular A-21\)](#).

# TYPICAL UNALLOWABLE COSTS

1. Advertising-including radio, television, exhibits, promotional items, production of internal newsletters and magazines.  
Advertising costs for patient recruitment and fellowship and
2. Alcoholic beverages
3. Graduation ceremonies and other commencement expenses
4. Bad debt expense
5. Internal allocation of interest
6. Fund raising
7. Fines and penalties
8. Costs of professional investment advice
9. Costs of faculty or administrative housing
10. Personal use of institutional automobiles or other property and services
11. Club and civic and community memberships
12. Alumni activities
13. Lobbying
14. Public relations
15. Medical malpractice insurance
16. Meals and travel associated with lobbying and fund raising, alumni activities
17. Entertainment for holidays, retirements and other costs for recruiting, entering and tickets to events
18. Student activities
19. Unrecovered costs (losses) of service centers
20. Costs for prosecuting claims against the federal government
21. Overdrafts on restricted funds
22. Contributions and donations
23. Passports
24. Meetings/Conferences
25. Membership Dues – Non Faculty
26. Postage
27. Duplicating and PhotoCopy



# TIPS – TRICKS - TOOLS

## TIPS/TRICKS:

- Always review sponsors guidelines for allowable/unallowable expenses
- Use a bank account reconciliation method to monitor expenses (always know how much you have, how much you spend and how much you have left)
- When submitting rebudget requests – be sure to properly account for affected F&A. F&A eligible vs. F&A ineligible categories of expense
- Items normally excluded from F&A Calculation:
  - Capital expenditures
  - Equipment
  - Fellowships
  - Patient care costs
  - Rental costs of off-site facilities
  - Scholarships
  - Subcontract costs in excess of the first \$25,000
  - Tuition

# TIPS – TRICKS - TOOLS

## TOOLS:

- UTS 142.1 – Financial Controls and monthly financial review procedures (for Depts): <http://www.utsouthwestern.net/intranet/administration/sponsored-programs/doclib/financial-control-review-procedures.pdf>
- PI guidance to Allowable Costs for Sponsored Programs: <http://www.utsouthwestern.net/intranet/administration/sponsored-programs/doclib/pi-guidance-on-allowable-costs-14-13.pdf>
- Explanation of reasonable/allocable/allowable costs: <http://www.utsouthwestern.net/intranet/administration/sponsored-programs/research-lifecycle/award-management/explanation-of-costs.html>

# TIPS – TRICKS - TOOLS

## TOOLS:

- Monthly monitoring of expenditures on sponsored projects: <http://www.utsouthwestern.net/intranet/administration/sponsored-programs/research-lifecycle/award-management/#monitoring-and-oversight>
- Monthly financial review tool set: <http://www.utsouthwestern.net/intranet/administration/sponsored-programs/doclib/monthly-financial-review-toolset.pdf>
- PI All Funds Report: <http://www.utsouthwestern.net/intranet/administration/sponsored-programs/doclib/pi-all-funds-report-admin.pdf>
- Monthly financial review checklist: <http://www.utsouthwestern.net/intranet/administration/sponsored-programs/doclib/monthly-financial-review-checklist-form.pdf>

# TIPS – TRICKS - TOOLS

## TOOLS:

- Budget Overview Inquiry  
Manual: <http://www.utsouthwestern.net/intranet/administration/accounting/doclib/budget-overview-inquiry-manual.pdf>
- Encumbrance and Pre-encumbrance guidelines: <http://www.utsouthwestern.net/intranet/administration/accounting/doclib/encum-pre-encum-guidelines.pdf>
- BI-Portal GL-Post Award Report:  
[http://swlxpbi1.swmed.org:9704/analytics/saw.dll?PortalPages&PortalPath=%2fshared%2fAnalyst%2f\\_portal%2fDepartmental%20Financial%20Reports&Page=GL%20-%20Post%20Awards%20Report&Done=close](http://swlxpbi1.swmed.org:9704/analytics/saw.dll?PortalPages&PortalPath=%2fshared%2fAnalyst%2f_portal%2fDepartmental%20Financial%20Reports&Page=GL%20-%20Post%20Awards%20Report&Done=close)

# A Walk Through The Process

# Notice of Award



AHA Award Number: **16POST27260081**

Dear

We are pleased to inform you that the Research Committee of the American Heart Association (AHA) has approved activation of an Award for the period and in the amount indicated below. This Award is contingent upon satisfactory demonstration that alternative funds have not been, nor will be, awarded to this project. AHA policies do not permit mutual funding or supplementation of a project, even when other agencies have reduced budgets.

Award Type: **SWA Summer 2015 Postdoctoral Fellowship**

Title of Project: **NMR studies of actin monomer dynamics and their roles in actin filament dynamics and heart disease**

The Award begins **01/01/2016**, and has been approved at the level of funding indicated below:

Period 1 Start Date: 1/1/2016, End Date: 12/31/2016, Total: \$48680

Period 2 Start Date: 1/1/2017, End Date: 12/31/2017, Total: \$50432

The Award has been approved for this duration; however, each year of funding is contingent upon adequate progress, and is subject to approval by the Affiliate Board of Directors and availability of funds.

The AHA has a web-based Research Administration System, Grants@Heart, for managing our research applications and Awards. This system is available for use by Principal Investigators and designated institutional officers of currently active AHA research Awards. As the Principal Investigator of a newly funded Award, you need to access this system to electronically submit the forms required to activate your Award. These forms include an Acceptance Form, an Agreement, a Medical Subjects Heading (MeSH) Form, a Subject Use Form and a Project Budget.

The deadline for submitting your Acceptance Form is 12/11/2015, and all other activation forms must be submitted by 12/18/2015.

*"Building healthier lives,  
free of cardiovascular  
diseases and stroke."*

Please remember the American Heart Association in your will.



Should the Research Committee need to convey special policies or provisions to you, these will be included on your Acceptance Form as concerns or contingencies that must be addressed by you prior to Award activation.

These policies and provisions as specified will bind you as an Awardee of the AHA. The approved amount of your Award may be less than the amount requested. If your budget was reduced, your Acceptance Form should explain the budgetary reductions.

Please note: The Agreement must be printed and signed by all required parties and returned to the AHA in hard copy or emailed to AHA via [awards@heart.org](mailto:awards@heart.org). A signed copy of your Agreement should be retained for your files, and a copy should be retained by your fiscal office. Your Award is subject to the limitations defined in the Agreement. The AHA reserves the right not to modify the terms and conditions of the Agreement. This Agreement will cover the period and amount as stated above, and you will not be required to submit another Agreement during the term of your Award unless the structure of your Award is altered.

During the tenure of your AHA Award, you should use the online system to submit your annual scientific progress reports and to request Award changes. Scientific progress reports of work accomplished are required annually. Each subsequent year of funding is contingent upon review of a progress report, which is due 12/15 of each interim award period. Scientific reports in the final year are due 12/15. For grant projects, financial reports are due annually from your fiscal office. Check Grants@Heart for due dates. Financial reports are not required for fellowship training grants. AHA payments will be withheld if these reports have not been submitted by the due date. The forms for reporting progress and expenditures (if applicable) can be submitted in Grants@Heart.



The AHA will remit quarterly installments to your institution for your Award. These payments will occur following the end of each quarter via electronic funds transfer. The AHA pays research Awards in the months of January, April, July and October on or around the third Tuesday of the month.

Your research Award was made possible by the dedicated work of people of all ages and backgrounds who volunteer their time and talents to fight heart disease through advocacy efforts and fundraising activities. Please consider joining them. The AHA is a voluntary health agency, and having highly capable volunteers as leaders and decision-makers is crucial to our future success. Supporting research is our No. 1 organizational priority. Without men and women with strong research backgrounds in key leadership positions, our ability to support the most meritorious research could be compromised and that would be tragic. Please contact the AHA at 1-800-AHA-USA-1 or 1-800-242-8721 to find out about volunteer opportunities with the Founders Affiliate or visit us on the web at <http://my.americanheart.org>.

If you have any questions or need assistance with your Award, please contact the AHA Applicant and Awardee Services group via email at [Awards@heart.org](mailto:Awards@heart.org) or by phone at 214-360-6119 . Please reference your AHA Award number at the top of this message.

Congratulations on your AHA Award, and best wishes for a continuing successful career.

Sincerely,

American Heart Association  
SouthWest Affiliate Research Programs

*\* AHA reserves the right to revise its payment schedule, as it deems necessary, at any time. Awardees and associated Institutions will be notified in advance of any changes to the schedule.*

# BUDGET REQUESTED

Grants@Heart - Application No: 16POST27260081

## 8. Budget

Expense Type Name :	Fringe
Yearly Fund :	1. 1000.00 2. 1000.00
Expense Type Name :	Project Support
Yearly Fund :	1. 4000.00 2. 4000.00
Expense Type Name :	Salary
Yearly Fund :	1. 43680.00 2. 45432.00

# SPONSOR GUIDELINES



[www.my.americanheart.org](http://www.my.americanheart.org)

## Guide for Affiliate Research Awards

# GRANT GUIDELINE CONTENTS

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# NEXT STEPS

## **AWARD ACCEPTANCE**

- Review the Notice of Award
- Review the Sponsor Guidelines
- Obtain your subledger number
- Allocate payroll to the subledger
- Initiate purchase requisitions

## **MONTHLY REVIEW**

- Review your expenses monthly
- Know what has posted to your subledger and what has been spent
- If errors are found, initiate requests for corrections

## **UPON TERMINATION OF THE AWARD**

- Stop allocating expenses to the subledger
- Review your expenses to prepare for final close out
- Initiate release of encumbrances



# QUESTIONS?

## CONTACT INFORMATION

### SPONSORED PROGRAMS ADMINISTRATION

Su Cole, Supervisor  
Research Award Accounting  
[su.cole@utsouthwestern.edu](mailto:su.cole@utsouthwestern.edu)  
214-648-4392

Tonya Kimble, Supervisor  
Reporting  
[tonya.kimble@utsouthwestern.edu](mailto:tonya.kimble@utsouthwestern.edu)  
214-648-0837