

NEWS FROM GCA

GRANT & CONTRACT ACCOUNTING



2019 4th Quarter Newsletter

First Forum of 2020

What: GCA Forum

Where: Foege N130A

When: 11am – 12pm on Wednesday, January 22, 2020

We're back in Foege for our next GCA forum. Stay tuned for the agenda—we hope to see you there!

New: GCA Forum Web Page!

For those who cannot attend a forum or want a refresher on prior forum content, check out our [GCA Forum web page](#) for details about what's coming up and information from prior forums.

Sponsor Invoice Requests

It's an annual occurrence for GCA—the calendar or fiscal year is drawing to a close and sponsors request that we step outside of our regular invoicing schedules to help them meet their year-end calendars. These requests take multiple forms, but the most common are:

- An invoice for the full award amount on a cost reimbursable budget regardless of the actual expenditures posted.
 - An early invoice, either before the billing period has closed at all (“We need your bill for all charges through 6/30 by 6/15”) or before it has closed in our system (“Invoices for 2019 activity MUST be issued by 1/3/20”).
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In almost all cases, such requests fall outside of our contractual obligations as described in the award agreement. They often pose an audit risk, since it is not appropriate to invoice for projected future costs on a cost reimbursable award. Also, if the invoice in question is interim rather than final, generating an invoice before the month has closed in the UW system often results in errors on future invoices.

If a sponsor contacts your department directly requesting an early invoice, please do not promise that we can issue one. Let them know that the UW has not officially closed out the month, therefore not all expenditures have posted to your budget. Instead, ask the sponsor to consider accepting an estimate of expenses. We have found that most sponsors can use an estimate to accrue in their systems and are satisfied with that alternative.

If you are uncomfortable with providing alternatives to your sponsor, forward the request to GCA at gcahelp@uw.edu or via GrantTracker and we will be happy to do it for you.

Change in Messaging for Department Submitted Invoices

GCA sends a GrantTracker note to campus when a milestone invoice requiring backup has been prepared and is ready for the department to submit to the sponsor. We include a reminder to add any necessary backup documentation, and ask that the GrantTracker note be updated when the invoice has been submitted. GCA follows up on open GrantTrackers every couple of weeks, which may fill your email inbox with lots of unwanted notices.

We recently received feedback that one reminder is plenty! Going forward, GCA will send one GrantTracker message that is marked "Completed."

However, we still want to know when the invoice and backup was submitted to the sponsor. Upon submission, please re-open the GrantTracker and reply to the message. We will then update the due date for that invoice which will prevent sponsors from prematurely receiving a delinquency letter or "friendly reminder."

Fellowships & Institutional Allowance Budgets – Which Costs Go Where?

Institutional Allowance funding is provided by the National Institutes of Health (NIH) with individual Fellowships on NIH "F" type awards. When GCA sets up the Fellowship budget (parent), we will also set-up an Institutional Allowance sub budget.

The NIH Fellowship will be set up as an 80-xxxx budget for each period of the

fellowship. The only expenditures allowed on these budgets are stipend and tuition payments. All other allowable expenditures must be charged to the Institutional Allowance budget. If unallowable charges are found on the 80-xxxx during reconciliation, GCA will request that those charges be moved to a non-sponsored award. Any unexpended balance remaining will be transferred to the continuation as restricted or returned to NIH at the end of the award.

The Institutional Allowance budget will be set-up with a 67-xxxx prefix. A new sub budget will be set-up for each budget period. Institutional Allowance is a fixed amount and intended to cover expenses for the individual fellow such as research supplies, equipment, travel, and health insurance. In some cases, re-budgeting/other costs may be allowable, but prior written approval from NIH is needed. During the annual reconciliation, GCA will transfer any unexpended balances to the continuation as available. Any remaining balance at the end of the award will be returned during closeout.

As a reminder, NIH Institutional or Individual Training grants (“T” type awards) do not include an Institutional Allowance component. More information on allowable costs on Institutional Allowance budgets can be found on the [Post Award Fiscal Compliance website](#).

Maintaining Your Fabrication Sub Budget

If a sponsored award includes funds to build a piece of equipment necessary to complete the research, these costs should be accounted for using a fabrication sub budget (budget type/class 05/49). The fabrication sub budget can incur expenses with the same object codes as the parent budget, but are exempt from indirect costs.

During the life of the sub budget, the department needs to work with the [Equipment Inventory Office \(EIO\)](#) so that the asset can be tagged and recorded in the OASIS system. Every quarter, a fabrication JV request should be submitted to EIO to move expenditures to the appropriate 06-XX equipment object code. This ensures that the asset is depreciated over the course of its useful life and is exempt from indirect costs.

When the sub budget ends a final fabrication JV request must be submitted to EIO before your Final Action Date (or earlier if the sub budget ends before the parent budget does). You don’t want the processing of a final JV to hold up the completion of the final report by the sponsor’s due date.

GCA will send a GrantTracker notification to the department if the final fabrication JV has not been completed. The notification will state a response date for the information

requested; if we do not receive the information by this date, we will assume that the expenditures are subject to indirect costs so we can move forward with the final report.

For more information, please visit EIO's webpage on [fabrication budgets](#).

Participant Support Costs

Does your award have "participant support costs" in need of special accountability?

Participant support costs are defined in the [Uniform Guidance](#) (2 CFR § 200.75) as "direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects."

Special rules may apply to the use of these funds, so it is important to familiarize yourself with the terms and conditions of your specific agreement. Some commonly seen special conditions:

- Participant support costs on federal awards are exempt from Facilities and Administrative Costs (F&A) (per the Uniform Guidance). Non-federal awards may be subject to the same rule, unless the award indicates otherwise.
- Typically, funds awarded for participant support cannot be re-budgeted without prior sponsor approval.

How are these expenses accounted for?

At the time of award, if special accountability is indicated on the Funding Action (FA), GCA will set up a separate sub budget with a 0% F&A rate for the participant support funds. Within the sub budgets, funds are allocated to object code 03-34 but actual expenditures may post in other appropriate object codes.

If your department has NSF awards, you may be familiar with the budget line "Total participant support costs." This makes it pretty clear that funds are awarded for this specific purpose. For other sponsors, it may not always be as clear.

If you believe a separate sub budget should be established to exempt costs from F&A or because separate accountability is required (and we have not already set one up) please let GCA know. If you believe a separate sub budget has been set up erroneously, we can help with that as well.

Both [GCA](#) and [Post Award Fiscal Compliance](#) have webpages with guidance on the

allowability and management of these costs, or you can always reach out to the GCA Help team directly.

Outgoing Subawards – Who Does What?

Office of Sponsored Programs (OSP): OSP's Subawards team manages outgoing subawards. If departments need to establish or revise a subaward, requests need to be submitted through SAGE. Pending OSP's approval, the subaward can be set up in the ARIBA system. For questions about setting up and managing subawards, please contact OSP's subawards team at ospsubs@uw.edu.

Procurement: Once the subaward has been fully executed, a Blanket Purchase Order (BPO) can be set up in ARIBA. This is where invoices submitted by the subrecipient are received or uploaded by the department. It is the department's responsibility to ensure that the subrecipient submits invoices on time. All subaward invoices should be received, reconciled, and posted to MyFD by the award budget's Final Action Date. For assistance with creating/modifying BPOs or questions on the invoicing process, please contact Procurement at pcshelp@uw.edu.

GCA: If subaward expenditures (03-62) are subject to F&A, GCA will manually reconcile and adjust indirect costs charged to the budget. GCA's goal is to complete reconciliations at least quarterly, and when these are completed, a GrantTracker will be sent to the department along with a copy of the adjustment JV (if applicable). If you require an adjustment sooner or have questions about an adjustment JV, please contact GCA at gcahelp@uw.edu or via GrantTracker.

Additional Resources:

- Subaward Setup: <https://www.washington.edu/research/myresearch-lifecycle/setup/subawards/>
 - GIM 07 – Sponsored Program Subaward Administration: <https://www.washington.edu/research/policies/gim-7-sponsored-program-subaward-administration/>
 - GIM 08 – Subrecipient Monitoring: <https://www.washington.edu/research/policies/gim-8-subrecipient-monitoring/>
 - Outgoing Subaward Request Workflow: <https://finance.uw.edu/ps/sites/default/files/tutorials/ORIS-Subaward-WF.pdf>
 - eLearning on Initiating a Subaward: <http://finance.uw.edu/ps/webform/subaward>
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Billions and Billions of Budgets

OK, “billions” is a bit of an exaggeration, but GCA does work with around 22,000 active budgets and sub budgets in the UW systems. On an average day, our five-member Grant Analyst team receives around 200 requests—a mix of emails, phone calls, and GrantTracker messages.

We do our best to keep a detailed record of all communication for each budget so we can better manage ongoing issues, but we are unlikely to remember all of the details about a conversation from a few months (or even a few days) ago. As a friendly reminder (if you want to help us, help you), it’s always a good idea to mention any previous communication you’ve had with us on the same issue. Doing so will jog our memories and provide guidance as we review our records.

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[GRANT TRACKER](#)

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