

UNIVERSITY of WASHINGTON

# NEWS FROM GCA

GRANT & CONTRACT ACCOUNTING



## 2022 1st Quarter Newsletter

### Next GCA Forum

Thursday, May 26 11 a.m. – Noon

**Zoom info will be sent prior to event.**

If you would like to suggest a topic please email [gcahelp@uw.edu](mailto:gcahelp@uw.edu).

Recording and slides from past forums can be found [here](#).

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### *Updates and Important Reminders*

#### Tips & Tricks

- Not sure which is the correct office to contact for your budget? Check this list of [Budget Number Prefix Identifiers](#), complete with phone and email contact information!
  - If a sponsor sends you updated contact information for invoices or reports, please notify GCA by forwarding their email to [gcahelp@uw.edu](mailto:gcahelp@uw.edu) or sending us a [Grant Tracker](#) note.
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- To add or change campus contacts to your budgets in [Grant Tracker](#), please follow the instructions on our [Updating Campus Contacts](#) page. Help us help you by keeping this information current!

## **Fred Hutchinson Cancer Center (FHCC) Merger**

*This situation is constantly evolving. Breaking updates will be sent to campus via the [MRAM listserv](#).*

The merger between Fred Hutchinson Cancer Research Center (FHCRC) and Seattle Cancer Care Alliance (SCCA) is expected to close on March 31, 2022, and the newly formed Fred Hutchinson Cancer Center (FHCC) will be active beginning April 1, 2022.

All current awards and subawards from FHCRC with an end date after March 31, 2022, will be terminated as of March 31, 2022. A new agreement under Fred Hutchinson Cancer Center (FHCC) will be issued with a start date of April 1, 2022 for the remaining balance of your previous award.

The timing of the reissued awards will depend on the merger activity. However, note that FHCC intends to provide pre-award spending authority, without the typical 90-day period restriction.

FHCRC has informed us that the Cancer Center Support Grants (CCSG), the majority of which ended December 31st, 2021, will be extended for 3 months. If your department has already set up an “advance renewal budget” for the extension period, you do not need to cancel the advance budget. Please contact [gcahelp@uw.edu](mailto:gcahelp@uw.edu) and request the advance renewal budget be linked as a sub budget to the prior budget.

Staff assignments with an end date after March 31st, 2022 will not be reissued under the FHCC name. FHCRC has confirmed these will continue to be effective through the end date on the current staff assignment. Billing/invoicing will be handled per usual processes.

If you have any questions, please don't hesitate to send your inquiry via [Grant Tracker](#) for any budget specific questions, or via email to [gcahelp@uw.edu](mailto:gcahelp@uw.edu) if you have a general question.

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## **Salary Cap and Compliance Issues**

Management Accounting and Analysis (MAA) conducts a salary cap review every six months to ensure that the University of Washington is in compliance with the DHHS Salary Cap. This is a salary limitation enacted by congress that restricts the amount of funds an individual may receive under certain federal awards.

Non-federal awards can have sponsor-imposed salary caps as well. These caps are not monitored by MAA and are the responsibility of the department. Please review your award terms and conditions carefully to make sure you are in compliance with any non-federal sponsor salary caps. Please contact GCA if we need to add Grant Control Flag 8 on your budget.

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The most recent salary cap review uncovered a few discrepancies on closed budgets that resulted in revised reports and refunds to the sponsor. With the increased scrutiny that federal sponsors are imposing on revisions made after award expiration, these are considered an audit red flag.

To avoid salary cap issues, we highly recommend being proactive by setting up payroll allocations with the salary cap limits in mind. Amounts over the salary cap should be charged to non-sponsored funds like department and gift budgets.

You can also conduct a self-audit at any time using the [Calculator Tools and Worksheets](#) provided by MAA. Additional information about salary cap can be found on the [MAA website](#). If you have questions about the salary cap process, please contact MAA via email at [efecs@uw.edu](mailto:efecs@uw.edu).

For questions regarding Grant Control Flag 8, you can contact GCA via [Grant Tracker](#) or via email at [gcahelp@uw.edu](mailto:gcahelp@uw.edu).

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## ***When GCA Invoices Need Department Backup***

Most of the time, GCA is able to issue the invoices we prepare directly to the sponsor. However, in some cases we need to partner with a department to meet a sponsor's invoicing requirements. Typical examples include:

- The sponsor requires information beyond what GCA can access from the financial system—e.g., copies of receipts or a breakdown of costs by award task
- The sponsor requires a progress report with each invoice
- Invoices must be signed by the PI
- Invoices must be submitted through a system which can only be accessed by the PI

If one of your budgets has invoices requiring department backup, GCA will send a Grant Tracker notification when each invoice is prepared. This notice will describe the backup we need and whether the department or GCA is responsible for submitting the invoice. To ensure that invoices are submitted promptly (leading to prompt payment!), we ask that you:

- Ensure that your department's grant budgets all have up-to-date campus contacts listed in Grant Tracker (see [Tips & Tricks article](#))
- When you are notified of a Grant Tracker message, review it promptly to determine what actions are needed
- If the department is responsible for sending the invoice, please send it as soon as possible and notify GCA when you have done so. (Failure to submit invoices promptly can lead to sponsors receiving delinquency notices for invoices they have not yet received)

If you have questions about this process, including whether department backup is truly required for an award or which office should be submitting invoices, please contact us via [Grant Tracker](#) or [gcahelp@uw.edu](mailto:gcahelp@uw.edu).

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## ***Managing Foreign Currency Awards***

While UW will try to avoid awards in foreign currency, some sponsors require this. Any award that is invoiced and/or paid in a foreign currency poses a risk to the department receiving the award due to currency fluctuations.

When we receive a foreign currency award, it is important to remember that the award amounts shown in Grant Tracker and My Financial Desktop are estimates based on outdated exchange rates. The amount we receive can be less or more than initially anticipated based on the fluctuations in the value of the foreign currency. To know the most accurate amount of your award, you should be checking the receipt column in Grant Tracker as this will show the value of the payments as we receive them. The invoice will show our estimate based on the currency conversion at the time of issue. We will then create an internal receivable for any overpayment or short payment resulting from exchange rate fluctuations between the date the invoice is issued and when it is paid. Both the award and revenue will be updated at the end of the award after all payments are received. Therefore, it is especially important to check the receipts against your expenditures with foreign currency awards, as this will better reflect the true balance or deficit than the award amount alone.

## ***Timely Cost Share Reporting***

It is important to stay on top of cost share reporting, as delayed reporting will impact invoicing, reporting, and award closeout. Depending on your award's cost share requirements, sponsors may withhold or delay payments and reduce the award amount if the cost share obligations remain unmet.

### **GCA Recommendations**

- If you have **non-Faculty Effort Cost Share** commitments, we recommend reporting contributions on a monthly or quarterly basis, particularly if the cost share amount needs to be included on your invoices or financial reports. The [Non-FEC Cost Share Report](#) should be submitted to GCA via [Grant Tracker](#), along with an extract of the contributions from the [non-FEC Cost Share Tagging System](#)
  - If your cost share commitment is for **faculty effort**, submit [Interim Cost Share Reports](#) if the FECs for the invoicing/reporting period will not be available in time for the invoice or report. Please note that these need to be submitted to MAA first for processing, after which they will be routed to GCA
  - We request that you submit the above reports as soon as possible so we can include the contributions on the invoices/reports. For example, if we need to include cost share on your quarterly report, we will need the cost share report to be submitted by the end of the quarter to allow us enough time to document the contributions and complete the report by the due date
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### **Consequences of Unmet Cost Share**

We will not be able to complete closeout until the award's cost share commitment has been met. We will reach out to you via Grant Tracker if we notice that there is unmet cost share when we are preparing the final invoice/report. If we do not hear back from you, we will proceed based on what has been entered into the Cost Share Summary.

If you have identified issues with meeting the existing cost share commitment, we suggest reaching out to the sponsor to see if the cost share requirement can be amended. If the cost share commitment remains unmet at closeout, this may result in a reduced award amount or having to meet the commitment through other sources.

### **Additional Resources:**

- [Cost Share](#) – overview on setting up and managing cost share
- [Cost Share Videos \(PAFC\)](#) – short videos that cover various cost share topics
- [Faculty Effort Certification \(MAA\)](#) – overview on managing faculty effort; cost share worksheets
- [GIM 21 – Cost Share on Sponsored Programs](#)

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If you have any questions about topics discussed in this newsletter or would like to suggest topics for future newsletters, please contact us via email at [gcahelp@uw.edu](mailto:gcahelp@uw.edu). Inquiries related to a specific budget should be sent via [Grant Tracker](#).

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