

# NEWS FROM GCA

GRANT & CONTRACT ACCOUNTING



## 2020 3<sup>rd</sup> Quarter Newsletter

### Upcoming

*GCA Seasonal Workload* – We are coming up on seasonal peaks for two of our processes: Reporting and Closing. Both processes have peak workloads in October.

*Autumn 2020 GCA Forum* via Zoom Wednesday Nov. 18, 11 AM – noon

- If you would like to suggest a topic, please email [gcahelp@uw.edu](mailto:gcahelp@uw.edu).
- Prior Forum video recordings and slide sets can be found [here](#).

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### Reminders

*Sponsor Payments* - Please only use GCA's lockbox for Grant or Contract Payments. We are not able to process payments for department budgets. For regular deposits, please see the BAO website: [Banking & Accounting](#)

*Campus Email Contacts* - To ensure correspondence from GCA is routed to the correct individual(s), please review the email contacts associated with your budgets in GrantTracker. A quick and easy way to edit contacts on one or multiple budgets is by visiting [Campus Contacts Email Maintenance](#), where you can query using budget number, organization code, and/or PI.

*Advance Sub Budgets* - GCA does not automatically take advance sub budgets out of advance status along with the parent budget. This can be requested by submitting a Transpasu or you may ask that OSP include a note on the Funding Action (FA) to remove advance status from sub budgets. In addition to a note on the FA, sub budget allocation details will need to be provided in an attached spreadsheet or via the SAGE Budget feature.

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### New Process: Supplemental CARES Act Funding

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If you receive any supplemental Coronavirus Aid, Relief, and Economic Security (CARES) Act funding for your COVID-19 projects, note that this funding must be separately recorded and tracked to ensure accountability and transparency as required by law.

GCA creates a new sub budget when supplemental funding has a different Federal Document number or indirect cost rate than the base funding, or if the expenses are required to be reported or invoiced for separately.

If your supplemental funding involves CARES Act funds, GCA will do the following:

- Establish a sub budget solely for your COVID-19 project so funds can be accurately tracked and recorded.
  - “C19” will be included in the budget title to clearly differentiate the funds.
- Add Grant Control Flag 19 to the sub budget’s profile in the financial system.
- For cost reimbursable awards, we will invoice this sub budget separately.
- If your award is milestone or scheduled payment, we will be on the lookout for separate reporting terms and conditions for these funds.

If you have any questions or concerns about this process, please let us know.

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### **The Importance of Timely Cost Share Reporting**

Unmet cost share can have a very unfavorable effect on your award. A sponsor who feels that you are not meeting your obligation can withhold funding by not releasing your next scheduled payment, or by delaying the payment of an invoice until it is met.

Unmet cost share also causes issues for GCA when it comes times to submit the final report or invoice. We will follow up with you regarding the unmet cost share, but if you do not respond to our requests, we will not move forward with the final report or invoice.

This is why we strongly encourage you to document your non-FEC cost share on either a monthly or quarterly basis, and before it is due to be reported to the sponsor.

It can take up to five working days for us to process your non-FEC report, and if we find any discrepancies that need to be corrected then it will take longer.

Below are some tips for meeting your required cost share commitment:

- **Interim Cost Share Reporting**
    - If you have a quarterly report or invoice due to the sponsor, submit your non-FEC cost share report before the quarter ends.
      - If you submit it after the quarter ends, and we have already created the report or invoice, we will not revise it. Your cost share will be reported the next quarter.
      - This is especially important for federal sponsors who require quarterly financial reports. We implemented a process improvement in March 2020 to automate the preparation of interim financial reports and the
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award information including the cost share actuals are taken directly from eFECS as of the end of that reporting period.

- If you have a sponsor that requires monthly reporting, the same rules apply.
- **Final Cost Share Reporting**
  - Your cost share commitment must be met by your Final Action Date.
    - If your cost share includes faculty effort that will not be certified until after the final report due date, you must complete an Interim Cost Share Report and submit it to MAA for processing.
  - If you receive a notification about unmet cost share via GrantTracker, please respond to us as soon as possible.

By staying current with your cost share commitments, you can mitigate compliance issues and deal with issues as they arise instead of at the end of the award when it can be too late. Any fallout due to unmet cost share is the responsibility of the department.

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### **Subcontract F&A and Encumbrances**

We often receive questions regarding subcontract F&A charges and encumbrances. GCA manually reconciles and adjusts F&A charged on outgoing subcontract expenditures quarterly. Your department is notified via GrantTracker when a reconciliation is completed and a copy of the reconciliation workbook is attached to the JV in MyFinancial Desktop. Please allow up to three months for a subcontract F&A adjustment to post. Because this is a manual process, it is possible for a budget to be missed during our reconciliation, so we recommend that you closely monitor your budgets.

Subcontract F&A encumbrances are set up by GCA when we first reconcile F&A. The subcontract F&A encumbrance amount is equal to the projected F&A costs to be charged on the subcontract(s). As subcontract F&A is charged to the budget, we manually reduce the subcontract F&A encumbrance until the subcontract F&A threshold is reached.

If you have an urgent need for an immediate adjustment (e.g. an adjustment was missed, the budget is about to close, or you need current expenditure totals for a no-cost extension or carryover request), or if you believe the subcontract F&A encumbrance is incorrect, please contact GCA via [GrantTracker](#) using the Indirect Costs topic.

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### **Advance Budgets – When and Why?**

Requesting an advance budget number allows you to establish a budget number for an award while you are waiting for the award agreement to make its way through OSP and GCA's review processes as a Funding Action (FA). With an advance budget in place, you can avoid the need to temporarily place expenditures on another budget and transfer them to the grant budget after the fact.

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GCA recommends advance budgets whenever a department anticipates a delay in receiving or processing an award agreement. Typically, advance budgets are established around the award's expected start date. However, they can be set up earlier in cases where the department needs a budget number in advance (e.g. to set up payroll or subawards).

**When NOT to request an advance budget:**

- When you do not yet have an eGC1 in place.
- When you are not certain funds will be awarded.
- When your department policy does not allow it.
- When you are awaiting a supplement/extension or no-cost extension on an existing budget. Instead, work with OSP to request a **temporary budget extension**.

**Resources for setting up an advance budget:**

- [OSP's Advance Budget Eligibility Tool](#)
  - [GCA's Advance Budget Setup and Extension page](#)
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**What Is Carryover?**

Carryover funds are the unexpended balance from a prior budget period. Some awards have automatic carryover, meaning the unexpended balance remains available in the next budget period, while other awards have restricted or no carryover.

As of Fall 2018, GCA notes the carryover terms on the Funding Action (FA) for your department to reference. Depending on the award's carryover permissions, GCA may transfer an unexpended balance to the continuation budget when the current budget is closed out.

*Note: for awards with automatic carryover, we generally use the same budget number for the entire project period. However, if an award has automatic carryover but separate billing and/or reporting requirements, we would establish a separate budget for the continuation period.*

**How are carryover funds allocated?**

If an award has automatic carryover, the funds will be allocated to 38-00 and 25-99. If carryover is restricted, the balance will be allocated to 37-99.

**How do I get funds out of 37-99?**

Funds allocated to 37-99 cannot be used without sponsor approval. You will need to work with OSP to submit a carryover request to the sponsor. If the sponsor approves the request, OSP will issue a Carryover PAC, which will be routed to GCA for processing. When we process the PAC, we will reallocate the approved amount out of 37-99 into 38-00 and 25-99.

**Friendly Note about Carryover Allocation**

The carryover funds do not need to remain in 38-00! If you would like us to allocate the funds into other categories, please contact us via GrantTracker. If a Carryover PAC is required, a revised budget can be provided with the PAC for GCA to allocate automatically.

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## **Additional Reading:**

[GIM 2](#): Acceptance of Sponsored Program Awards and Fiscal Compliance on Sponsored Program Accounts - Carryover of Unobligated Balances Between Budget Periods and Unexpended Balances at End of Project

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## **What Happens After My Award Is Sent To GCA?**

GCA establishes and maintains accounts in our financial system for sponsored awards. These accounts are not only a tool to aid your department in spending award funds, but also a place to document key award information and allow the tracking of financial deliverables.

After a new award is negotiated and approved by the UW's Office of Sponsored Programs (OSP), it comes to GCA. We assign a budget number and set the budget number up in the financial system. Our specialists must analyze the award documents for details required to complete the setup. Key award information from the analysis is made available to campus via the Funding Action, GrantTracker, and MyFinancial Desktop.

GCA issues financial statements (reports and/or invoices) to the sponsor as required. When a sponsor sends a payment for a grant or contract, our sister department, Research & Cash Accounting (RCA) applies the funds to the budget. RCA also has a collection process to follow up on past-due open receivables.

After the award period is over, the account must be closed out. GCA reviews and prepares budgets for closing and completes the final closeout to status 4 in FIN, ensuring that all financial requirements of the agreement have been met and all internal budget administration tasks have been completed (e.g. deficit and surplus transfers). Per [GIM 39](#) we are required to close balanced budgets to status 4 within 120 days of the end date.

Last, but definitely not least, GCA is available to provide guidance for managing your sponsored awards. There are many policies and processes to take into consideration. If you aren't sure, for instance, whether a particular expenditure is appropriate, or are interested in techniques for monitoring your budget, that's OK – we can help! Our [website](#) is a great place to start, and our Grant Analyst team can be reached at [gcahelp@uw.edu](mailto:gcahelp@uw.edu).

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## **Staff Spotlight**

When Governor Inslee issued the "Stay Home, Stay Healthy" order in March, GCA transitioned to 100% remote work. Most of us expected to return to the office within a few weeks, but that was not the case and we continue to work from home. This quarter we share how the Grant Analyst team is handling these unprecedented times.

**Azalea Vasquez**

***What do you miss?***



I miss working with my colleagues in the office and living a care-free life.

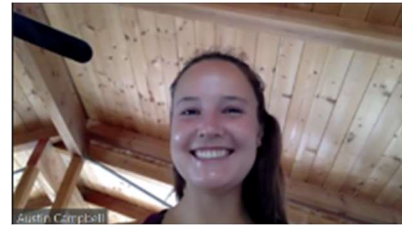
***Favorite takeout?***

Salmon fish tacos with tortilla chips from Anthony's HomePort.

***WFH hobby?***

Playing Animal Crossing on the Nintendo Switch, and running on the treadmill every day.

**Austin Campbell**



***What are you baking?***

Cookies – semi-sweet chips and/or white chips, add walnuts.

***What are you streaming?***

Jeopardy, Dateline NBC, and books... to my Kindle.

***WFH hobby?***

Reading, riding my bike and working out.

**Cheryl Haycox**



***What are you baking?***

No-knead bread and peanut butter cookies

***What do you miss?***

Being with my team, going to stores and restaurants, and seeing my family/friends

***WFH hobby?***

Birdwatching and photography.



***What are you streaming?***

Food Network's Chopped, UnREAL, and some sort of Netflix documentary.

***What do you miss?***

The food on The Ave, being within walking distance of Trader Joe's and seeing my coworkers' faces in real life.

***WFH hobby?***

I got kittens while in quarantine, so you can usually find me hanging out with my cool cats, Coco and Tyga! ☺

**Liz Lee**



**Michelle Davis**



***What are you baking?***

Croissants!

***What do you miss?***

Roaming through campus and getting my usual coffee

***Favorite takeout?***

Not really takeout, but I've been super addicted to Swedish Fish for the past month

**Susan Wilbanks**

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***What are you streaming?***

I'm currently streaming Avatar: The Last Airbender. I also listen to a lot of podcasts—I especially recommend *Judge John Hodgman*, *Tides of History*, *You're Wrong About*, and *Common Descent*.

***What do you miss?***

Talking to my coworkers in person. Seeing Mount Rainier from our office windows on clear days. Lunch at Byrek and Baguette or Off the Rez.

***What are you baking?***

Mostly quick stuff to take advantage of things like overripe bananas or farmers market strawberries. Here are my go-to recipes:

1. Chocolate Banana Bread:

[https://www.simplyrecipes.com/recipes/chocolate\\_banana\\_bread/](https://www.simplyrecipes.com/recipes/chocolate_banana_bread/)

2. Fresh Strawberry Cake: <https://www.onceuponachef.com/recipes/summer-strawberry-cake.html>



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