



# NEWS FROM GCA

GRANT & CONTRACT ACCOUNTING

## 2020 4<sup>th</sup> Quarter Newsletter

### Upcoming Event

Winter 2021 GCA Forum via Zoom: February 24, 2021

- If you would like to suggest a topic, please email [gcahelp@uw.edu](mailto:gcahelp@uw.edu)
- Prior Forum slides and recordings are available [here](#)

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### GCA Website Updates

Updated FAQ: We have been working on updating the [FAQ section](#) on our website. We address common questions on managing award budgets.

Updated Grant Tracker on GCA Website: We recently updated the [Grant Tracker Welcome Page](#)! You may need to update your bookmark!

VA Invoicing Process: Earlier this year we were informed of changes being made to the Department of Veterans Affairs (VA)'s invoicing process. We've outlined the changes as well as general information about VA awards [here](#)!

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### What If My Award Is Being Terminated Early?

An award could end early for several reasons – for example, the PI might be leaving the University or there could be project changes (programmatic or financial).

#### Preparing for Closeout

If your award is ending early, you will need to submit an [End of Award Request Form](#) to the Office of Sponsored Programs (OSP) to start the early termination process. OSP will then create an early termination PAC so we can update the award information in our financial system. Please note that we cannot revise the budget end date without a PAC.

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If the award end date has already passed when we process the PAC, we will ask you to review and finalize your charges within two weeks. We will then proceed with the final invoice and/or report. (Even if the award end date is still in the future, it's good practice to reconcile your budget regularly so errors can be addressed sooner rather than later. This also helps ensure that the closeout process goes smoothly.)

#### Closeout Requirements

Another thing to keep in mind is the sponsor's closeout requirements. An early termination means that closeout documents (such as the contractor's release) will be due earlier as well. Depending on the award, there may be multiple documents required. We recommend reviewing your award for these (or confirming them with the sponsor) in advance to prevent last minute or late submissions.

#### Additional Information:

- [Early Termination and Relinquishment](#)
- [GIM 39 – Closeout of Sponsored Programs](#)

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### **NIH Termination Notice Process - From Department to GCA**

At the end of an appointment for a NRSA Trainee or Fellow, a Termination Notice (Form PHS 416-7) must be completed within 30 days of the recipient's termination date. A Termination Notice (TN) is a summary of work accomplished, which includes the dates of support, the stipends received, and post-training activity. It serves as the official record of training.

#### Routing the Notice

The routing process for Trainee and Fellow Termination Notices slightly differ from each other. For Trainees the Principal Investigator (PI) initiates the TN then routes it to the Trainee to fill out and certify. The TN is routed back to the Principal Investigator for review and certification before it is routed to the Business Official (GCA) for final review. When the TN is ready to be routed to the Business Official please select Kirsten DeFries. Once the TN is routed to Kirsten a notification email is sent to GCA Help where it is triaged.

Fellowship Termination Notices are initiated by the Fellow and can be routed to the Fellowship Sponsor for review. After the TN is certified by the Fellow it can be routed to the Business Official for final review.

#### Review Process

xTrain email notifications are sent directly to GCA Help and a request is routed within GCA for further processing. Termination Notices are considered a priority and are reviewed within one to two business days.

During our review we look at the following items:

- Period of Appointment
- Stipend Level
- Stipend Amount Paid (this amount should be listed in whole dollars)
- Signatures of PI and Trainee or Fellow

If we find discrepancies with any of the items above, we will route the Termination Notice back to the Trainee, Principle Investigator, or Fellow for correction. We will also send a Grant Tracker notification to the department explaining what the issue is and how it needs to be fixed. Please make sure that your [Campus Contacts](#) in Grant Tracker are up to date so you receive our notifications.

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If all the information can be verified, we will proceed with submitting the Termination Notice to NIH. If there is a gap between the time we reconcile the TN and when the final stipend posts to the budget we will wait until those expenditures post before submitting to NIH.

#### Early Terminations

If the Trainee or Fellow is terminating early due to a new appointment on a federal award and the Termination Notice needs to be completed before the new appointment can start, please contact GCA right away so we can prioritize the TN. If the TN needs to be approved before the final stipends can post to the budget, we will follow up with you if the amounts are not correct in MyFinancial.desktop. Beware of recalculating the stipend if the end date is off the payroll cycle. NIH prorates by whole months, then days within the month. The UW payroll calculates differently: number of working days in a half-month payroll cycle. GCA has developed a [Termination Notice Proration Calculator](#) to assist with the stipend calculation.

#### Trainee is Unresponsive

If your department has repeatedly tried to get a hold of your Trainee to complete the Termination Notice and they are unresponsive, the PI can certify the TN and route it to GCA for final review. The PI will need to add a note in Section 8 that they are certifying on behalf of the Trainee. If all other information is correct, we will certify and route it to NIH.

#### Issues with xTrain

We get a lot of questions from campus about xTrain, but aside from our role as the Business Official we don't work with other aspects of xTrain. If you run into any issues while you are preparing the Termination Notice, you can take advantage of the resources that NIH has provided on their website:

- [xTrain Tutorials and User Guide](#)
- [eRA Service Desk](#)

Or you can contact your Grant Management Specialist who may also be able to help.

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### **Temporary Budget Extensions vs. Advance Budget Extensions**

*Which one do you need and how do you request it?*

Both temporary budget extensions and advance budget extensions allow you to continue posting expenditures to a budget while you are waiting for the official extension or award agreement to be issued by the sponsor. However, the two extension types have different purposes and are requested via different processes.

**Temporary Budget Extension: Request a temporary budget extension if the award has been fully executed (i.e. the Funding Action has been processed) and you are in the process of requesting an extension from the sponsor.** During the temporary extension period, we will stop invoicing or drawing funds, and any financial reporting requirements will be put on hold. These activities will resume after the award is formally extended.

**Requesting a Temporary Budget Extension:** Submit a request to OSP via the Budget Extension Request form, available [here](#). If your request is approved, OSP will create a temporary extension PAC and route it to GCA for processing.

**Advance Budget Extension: Request an advance budget extension if you currently have an advance budget (i.e. the Funding Action hasn't been processed yet and the budget title begins with xxxADVxxx).** When we initially establish advance budgets, we set them up for a budget period of up to 6 months. This can be extended up to 12

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months with an advance budget extension. We expect that the fully executed agreement will be issued within that period and we rarely allow advance budgets to be extended beyond one year.

Requesting an Advance Budget Extension: Advance budget extension requests are submitted through SAGE. Follow the same process as when you submitted your initial advance budget request but choose “Advance Budget Extension” as the type of request in the ADV Details section. After completing the form in SAGE, print the form, obtain the required signatures (or email approvals if physical or electronic signatures are unavailable), and submit it to GCA at [gcahelp@uw.edu](mailto:gcahelp@uw.edu) for processing.

Additional Information:

- [Budget Extension Process](#)
- [Advance Budget Setup and Extension](#)

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### **Form of Payment 11**

GCA uses Form of Payment 11 in cases where your department is responsible for the billing (e.g. for clinical trials or patient costs). Usually a sponsor reimburses these awards at a fixed rate per patient or based on a fee schedule listed in the agreement. These schedules are similar to those seen in milestone-based grants and contracts, so it can be tricky to distinguish between the two if we are not notified in advance.

There are also awards issued that are a hybrid of cost reimbursable and patient billing. Our budget setup specialists try to identify this in their analysis, but sometimes it is missed as the patient costs are grouped together with the cost reimbursable budget. If a Funding Action (FA) is processed and the budget is established with the incorrect billing type (milestone or cost reimbursable), it can be troublesome for GCA, your department, and the sponsor. GCA must re-process the FA, sometimes send it back to OSP for correction, and make other corrections in our financial systems. If the award is a hybrid of GCA billing and department billing for the patient costs, parent and sub budget(s) should be established to track the costs and receipts separately.

Untangling an award that has commingled patient costs and GCA-billed costs is time consuming and generally results in overbilling the sponsor. Unfortunately, this issue usually goes unaddressed until pointed out by the sponsor or later in the award’s lifecycle. If patient costs have been included on GCA invoices, we must un-apply payments from these invoices and void and issue revised invoices. We also need to be very careful that these transactions do not get billed again.

Fortunately, there are ways to prevent this from happening when your award is processed. If you know that an award should be Form of Payment 11 and billed by your department, please let OSP know so that they can include a comment on the FA. This applies to both standalone clinical trial budgets as well as the aforementioned hybrid contracts.

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### **Where is My Payment?**

Standard payment terms for the University are net 30 days from date of receipt of a properly completed invoice; however, this does not always mean we receive payment within 30 days. Rest assured, our Aged and Receivables Team is tracking invoice payment and will reach out to the sponsor if we do not receive payment in a timely manner.

- > 31 days past due: Age notification mailed to sponsor
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- > 65 days past due: Age notification emailed to sponsor
  - > 90 days past due: Age notification emailed to sponsor every week until commitment is received or payment is resolved

If you do not see payment within 30 days, do not panic! Payment may already be in GCA, however, due to lack of information (e.g. invoice number, budget number) we must first research the payment before we can apply it to the budget. Please keep in mind that the invoice date may not be the true invoice receipt or acceptance date. Invoices submissions requiring supporting documentation sometimes take extra time, which may delay invoice receipt and payment.

To expedite processing of check payments, please clearly indicate the budget number, invoice number or grant number on the check. All checks should be sent to the Bank of America Lockbox in Chicago – any checks sent directly to the GCA mailbox may take longer to process, as our entire office is working remotely.

University of Washington  
Grant & Contract Accounting  
12455 Collections Drive  
Chicago, IL 60693-0001

If you received confirmation from the sponsor that payment has been made, but do not see it applied in Grant Tracker, please forward this information to [gcahelp@uw.edu](mailto:gcahelp@uw.edu) or attach it to a Grant Tracker note so we can perform additional research.

If the payment was made via ACH or wire, you may be able to find the payment in the Banking and Accounting Operations (BAO) Total Incoming ACH/Wire List (sent daily to [list subscribers](#)) or [Unclaimed ACH/Wire List](#). If you see your payment on either list, please reach out to us so we can apply the payment. For Unclaimed ACH/Wire's please email [bankrec@uw.edu](mailto:bankrec@uw.edu) to obtain the sequence number before notifying us.

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### **What is an Expense Transfer?**

An expense transfer is done to move charges between budgets, to other object codes, or to other Project Cost Accounting codes. It should be used to correct erroneous charges and not to spend down budgets or temporarily park charges.

Per University policy, expense transfers to an award budget must be made within 90 days of when the error is discovered or 120 days after the transaction date. The department must provide sufficient evidence that the charge is allocable to the award. If the transfer occurs after 120 days from the transaction date, the department will also need to include an explanation for why the charge was identified and transferred late. In the case of salary transfers to or from award budgets, the following must also be done:

- For non-faculty personnel salary transfers: note changes on quarterly Grant and Contract Certification Report (GCCR)
- For faculty salary transfers: if effort has already been certified, the Faculty Effort Certification (FEC) will need to be revised and recertified

As expense transfers are considered an audit risk, it is important to reconcile your budgets regularly to ensure that charges are allocated correctly. Frequent or large expense transfers suggest poor reconciliation practices

and raise questions about the department's internal controls. Depending on the timing of the transfers, financial/effort reporting or invoicing could be impacted as well.

Best Practices

- Review your award to confirm allowable costs
- Reconcile transactions/budgets regularly so erroneous charges can be identified and corrected in a timely manner
- If an award is late, request an advance budget so charges can be allocated to the award budget. This way you are not parking award expenditures on other budgets!

Additional Information:

- [Expense Transfers \(MyFinancial.desktop\)](#)
- [eLearning – Cost/Expense Transfers](#)
- [eLearning – Salary & Cost Transfers and Compliance](#)
- [Summary of Cost Transfer Guidelines](#)
- [GIM 15 – Transfer of Expenditures Between Budgets](#)

Happy Holidays from GCA!



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