



NEWS FROM GCA

GRANT & CONTRACT ACCOUNTING

2019 3rd Quarter Newsletter

Upcoming Event

What: GCA/OSP Forum

Where: UW Tower Auditorium

When: 11am – 12pm on Friday, October 25, 2019

The next GCA forum will be co-hosted with OSP. During the forum, we will try to clarify which office handles what parts of the award lifecycle. More details to be announced soon!

New Process: Moving from Paper-Based JVs to MyFD JV Tool

In September 2019, GCA began transitioning to the MyFD JV tool in place of our old paper-based JVs. This will allow campus to have easy access to the completed JV forms, attachments, and audit trail. When a JV has been processed in MyFD, campus contacts (as listed in GrantTracker) will receive an email notification with a link to the completed web form and attachments.

New Feature: Letter of Credit (LOC) Cash Draws in GrantTracker

In early October, we are rolling out a new feature in GrantTracker that will allow you to see the cash draw details for LOC awards. By default, GrantTracker will show the total amount GCA has drawn to date, but you will be able to filter the dates to show the draws in a specific period. Additionally, you will be able to see which expenditures comprise each draw amount.

Change to Our Milestone Communication Process

Starting this September we are implementing a more streamlined milestone invoice communication process. Previously we would follow up multiple times in GrantTracker until we were able to bill for the deliverable. Going forward you will only receive one notification in

GrantTracker for each deliverable listed on your award at the time it is due. If we do not receive a response we will close out the request, and no invoice will be sent to the sponsor.

For final milestones we will send a notification in GrantTracker 30 days prior to the budget end date. If we receive no response by your Final Action Date, we will add the PI to the second (and final) communication, and include a definitive due date for a reply. If we do not receive a response we will move forward with closing out the budget. Any deficit resulting from the difference between what has been spent and what payments have been received from the sponsor will must be covered by the department.

It is the department's responsibility to notify GCA upon completion of milestone deliverables detailed in the award document. GCA will not generate and submit invoices to the sponsor without confirmation. To ensure that our friendly reminders are sent to the correct contact people, please make sure that you have [added your email](#) to the budgets you manage in [GrantTracker](#) or that the existing emails are up to date if there has been turnover in your department.

Invoices That Require Department Input

If you receive a GrantTracker from GCA requesting that you add backup to our invoice and then submit it to the sponsor, we kindly ask that you respond as soon as you have done so. Your response lets us update the payment due date of that invoice. If we do not update the due date the system assumes the invoice was submitted immediately and the due date will be 30 days from the date the invoice was created. After the due date has passed a delinquency notice will be sent to the sponsor. We have had situations where sponsors are receiving a delinquency notice for an invoice they never received because it was not sent to them by the department. The sooner an invoice is submitted to a sponsor after generation the more likely we are to receive payment before the due date.

To make certain that GCA is contacting the correct people in your department please make sure that you have [added your email](#) to the budgets you manage in [GrantTracker](#) or that the existing emails are up to date if there has been turnover in your department.

Contacting GCA about Your Budget – GCA Help or GrantTracker?

One of the questions that came up during our recent GCA Q&A Forum was whether to communicate with GCA by regular email or through UW's internal GrantTracker system. It's a great question because there is no hard rule to follow -- but there are some factors to consider that can make the choice simpler.

On-campus users may view grant/contract and a few other types of budgets online through GrantTracker and search according to budget number, grant number, and PI, for instance. Submitting a request via GrantTracker requires you to reference a specific budget, and the fields in the request form ensure that the GCA has the level of detail needed to triage the request. Also, because the requests (questions, notes, and/or attachments) become linked to the budget, it's possible for any internal user to view them at a later time for insight about

changes that were made to the budget and any related issues. Finally, it provides a clear way to check the status of a request (such as whether more information is needed).

While communicating through GrantTracker has advantages for both the requestor and GCA, it is for internal use only. For general questions, questions concerning more than one budget, or communications that need to involve an external user in addition to your department and GCA, please send an email to gcahelp@uw.edu rather than a GrantTracker request. A good example is when organization code changes are needed for multiple budgets—it's much easier for your department and GCA to send a single email rather than create a separate GrantTracker request for each budget. If external contacts need to be included, email is the only choice.

Once you decide which route to take, either transmit the question through GrantTracker or email us at gcahelp@uw.edu -- and of course, you're always welcome to phone GCA's main number, 206-616-9995.

Subcontract F&A

GCA frequently receives inquiries about the Facilities & Administrative costs (F&A) for the first \$25,000 of a subcontract (object code 03-62) on a budget using the Modified Total Direct Cost F&A base. In most cases, these questions involve F&A not posting when the PI or department staff expect it.

The two primary reasons for this apparent discrepancy are:

1. In multi-year awards, such as a 5-year non-competing cycle for an NIH award, F&A is only charged on the first \$25,000 of the subcontract for the **non-competing segment**. For example, consider an award where UW issued two subcontracts, one to Harvard and one to Penn:
 - a. Year 1: Harvard bills us for \$27,500 and Penn bills us for \$24,000. All of the Penn charges would be subject to F&A, as would the first \$25,000 billed by Harvard.
 - b. Year 2: None of the Harvard subcontract charges are subject to F&A, since it has already crossed the \$25,000 threshold. For the Penn subcontract, only the first \$1000 will be subject to F&A.
2. Currently, GCA posts subcontract F&A via an entirely manual process, unlike other cost categories where F&A is calculated automatically as direct costs post. Our goal is complete these F&A adjustments **quarterly**.

If your budget falls into the second category, please allow up to three months for a subcontract F&A adjustment to post. If you have an urgent need for an immediate adjustment (e.g. the budget is about to close, or if you need current expenditure totals for a no-cost extension or carryover request), please contact GCA via GrantTracker under the Indirect Costs topic.

Temporary Budget Extensions vs. Advance Budget Extensions

Both temporary budget extensions and advance budget extensions allow you to extend a budget's end date while you are waiting for the official extension or award agreement to be issued by the sponsor. So which do you need and how do you request it?

Temporary Budget Extension: Request a temporary budget extension if the award has been fully executed (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 will resume after the award is formally extended.

Requesting a Temporary Extension: Requests are submitted to OSP via the [Budget Extension Request form](#). 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 your budget is currently in advance status (no fully executed agreement and budget title begins with “xxxADVxxx”) and the total budget period including the requested extension period is 12 months or less. When we establish advance budgets, we set them up with a budget period of no more than 6 months. This can be extended up to a total of 12 months with an advance budget extension. Our expectation is that the fully executed agreement (with the official award period) will be awarded within those 6-12 months of the budget start date, so we generally do not allow advance budgets to be extended past the 12 month budget period.

Requesting an Advance Budget Extension: Requests are submitted through SAGE, similar to how you would request the initial request. After you complete the ADV form in SAGE, you will need to print the form, obtain the required signatures, and submit it to GCA via GrantTracker.

Additional Information:

- Budget Extension Process: <https://www.washington.edu/research/myresearch-lifecycle/manage/award-changes/budget-extensions/>
- Advance Budget Setup and Extension: <https://finance.uw.edu/gca/award-lifecycle/budget-setup/advance>

Salary Cap: How do we know which level to use?

In the financial system, Grant Control Flag 08 (GCF 08) identifies budgets subject to a sponsor-imposed salary cap, federal or otherwise. The cap should be applied whenever an individual's salary exceeds the salary cap. Federal sponsors that use a salary cap, such as NIH, CDC, HRSA and others, apply the DHHS Salary Cap. For non-federal sponsors you should review the award document to see if there is any stipulation to apply a salary cap. Some non-federal sponsors use the DHHS Salary Cap, while others, like the Susan G. Komen Foundation, use a different amount.

- The value of “1” is used in GCF 08 for budgets that are subject to the Executive Level I salary cap of the federal executive pay scale.
- The value of “2” is used for the budgets that are subject to Executive Level II.
- If the sponsor uses the DHHS cap then the value of 1 or 2 will be determined based on the issue date of the funding action. Starting on December 23, 2011, the salary cap became linked to the Executive Level II salaries, which resulted in a reduction of the salary cap.
- For sponsors that use a unique salary cap, the value of “7” will be used in GCF 08.

To see if your budget has GCF08 activated, please refer to the Grant Flag section in the Budget Profile in MyFD.

The following link provides in-depth detail regarding salary caps and resources for additional information: <https://finance.uw.edu/maa/fec/costshare/salarycap-limitations>

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