

Sponsored Programs Accounting

PI must be aware of not only the programmatic requirements of the grant, but also the financial requirements. Although, Sponsored Programs Accounting is responsible for the financial reporting requirements stated in the terms and conditions, the PI must be aware of any restrictions on spending and the approved budget. He/She is ultimately responsible for any and all activity pertaining to the project for which he/she has been awarded. When the PI and Sponsored Programs Accounting office are both aware of the restrictions and additional requirements, if any, then as a team we can better manage the project with few or no surprises at the end.

Post Award Issues

A. Process of fund set-up

1. Review of budget and special reporting requirements.
2. Assign fund number based on awarding agency and set-up banner defaults to check budget according to restrictions, if any.
3. Send e-mail to PI and departmental contact person with new fund #, award amount, budget period, and cost share requirements (direct dollars). A cost share fund will be set up to correspond with the sponsor fund. The cost share fund will start with 8 and the last five digits will tie to the sponsor fund.
4. Load sponsor budget and cost share budget to banner. The sponsor budget includes direct dollars and indirect dollars that the sponsor has agreed to reimburse. The cost share budget only includes the required direct dollars.
5. When you get your fund number, you can start spending as of the start date of the project.
6. If you have someone budgeted 100% on a restricted fund, make sure they are working 100%. If they are preparing other proposal for funding and/on a MSU committee, they should not be 100% on the restricted fund.
7. There should be some effort on a project. If the sponsor is not covering the effort, then MSU needs to report this as cost share.

B. Invoicing requirements

1. Based on awarding agency and specific to each grant
2. Sponsored Programs Accounting will submit the invoice and copy the department.
3. Sponsored Programs Accounting books overhead once a month. We book it before the month

closes. The month closed 5 business days after the month ends.

C. Cost Share and/or Matching

1. Review contract for direct dollars required to fulfill cost share requirement.
2. All cost share expenditures must be incurred within the cost share fund and budget transfers made periodically to cover those cost share expenditures. These expenditures include any/all direct cost share expenses required in the contract.
3. Third Party Cost Share must be approved in the budget. Documentation should be provided on a timely basis to report on the invoices to the sponsor.
4. In-kind Cost Share must be approved in the budget. Documentation should be provided on a timely basis to report on the invoices to the sponsor. Keep in mind In-Kind is not salary and fringe benefits of MS State University employees.

D. Reconciliation and Project Close-out

1. Imperative for department to reconcile restricted fund, in order to verify that general ledger includes all applicable charges. This reconciliation especially extends to salaries in that SPAcct will not always be aware of these types of corrections. Department must reconcile those JLRFs submitted to the actual salary expensed on the grant. Salary redistributions are discouraged after the project has expired and are impossible if involving an appropriated fund for a previous fiscal year. A monthly reconciliation should be reviewed by the Principle Investigator.
2. Sponsored Programs Accounting will prepare a close-out sheet to ensure that all cost are included in the final invoice to the sponsor. The close – out sheet will be sent to the Budget Manager. The sheet should be reviewed for accuracy and noted if any charges need to be included that have not posted yet. Provide backup for the charges that have not posted yet. The Principle Investigator should be a part of this review to ensure he agrees with the final figures. The cost-out form should be signed and returned to Sponsored Programs Accounting. Once the final has been submitted, no additional cost will be allowed. The Close Out Form is not sent to the sponsor. By signing the closeout form, you are certifying that all of the cost have been accounted for on the close out form.
3. If you process a registration fee on a procurement card, make sure you change the account code to 405160 before the document post to Banner.

E. Certificate of Expenditures Form

- a. Process of certifying total amount expended on a project. Include both direct and indirect expenditures. All applicable expenditure must be against the grant in order to properly document the total cost of performing the work. This certification is placed in the file and can be audited at any time to verify that the actual dollars utilized in the project are in line with the proposal and amount awarded. Any material variance may be questioned.
- b. Required only on fixed price agreements with unspent balance.
- c. Request for certification of expenditures is emailed to budget manager at point of final invoice.

F. Cost Transfers

Cost transfers are only approved for those charges that are applicable and allowable to the project. Cost transfers should not be done to simply utilize the unspent budget dollars. Cost transfers that represent corrections or clerical or bookkeeping errors should be accomplished within 90 days of when the error occurred. On the cost transfer form fully explain how the error occurred and a certification of the correctness of the new charge by a responsible organizational official of the project. An explanation merely stating that the transfer was made “to correct error” or “to transfer to correct project” is not sufficient. Transfers of costs from one project to another or from one competitive segment to the next solely to cover cost overruns are not allowable. Attach a copy of the ledger to show where the charge original posted and highlight the charge being moved.

Each department should have a system in place to detect errors within a reasonable time frame; untimely discovery of errors could be an indication of poor internal controls.

Cost Transfers and Interdepartmentals should be signed by the Principle Investigator.

For departments keying their own journal entries, same conditions apply.

ISSUES WE SEE IN CHECKING COST TRANSFERS AND INTERDEPARTMENTALS:

- *Use correct form – Interdepartmental is a charge between departments and Cost Transfer is moving a charge that has already posted
- *Interdepartmental -Back up documentation is required.
- *Cost transfers – attach copy of the ledger sheet with the document to be moved highlighted.
- *Need to move the specific cost using the account code that was originally used. Do not group expenses under one account code.
- *Be sure to use the correct organization, program and account code
- *Be sure to explain the reason for the cost transfer and you have to justify charges 90 days after the original charge.
- *Make sure amounts on JV equal the documentation
- *Remember no sales tax.
- *On interdepartmental, when paying an invoice, put the invoice # in the description
- *Make sure the debits and credits balance
- *Be sure to the form is signed

*If you are unsure which form to use, the account code, or anything about the entry, please call us before sending the form.

G. Internal Budget Revisions

1. Required for all budget revisions on restricted projects
2. If no sponsor approval required, forward on to Sponsored Program Accounting with Principle Investigation and department head signature.
3. If sponsor approval required, send to Sponsored Programs Administration with PI and department head signature, and they will acquire the appropriate sponsor approval. Once approved, budget revision is sent to Sponsored Programs Accounting for update to Banner.

****Make sure the Restricted Fund Change Request Form has the FUND, ORGANIZATION, AND PROGRAM****

H. Confirmation of Effort

Confirmation of Effort reports are printed twice a year for 12 month employees and three times a year for 9 month employees. Confirmation of Effort reports should be reviewed for accuracy and returned on a timely basis. If there is a significant difference in level of effort performed from that on the certification, it is important that these changes be noted on the certification and immediately followed up with corrected Job Labor Redistribution forms. A copy of the Job Labor Redistribution form should be attached to the Confirmation of Effort report and the months manually adjusted. The confirmation of effort must agree with the workload percent on payroll forms.

These Confirmation of Effort forms are important because they are the federally approved method of accounting for direct salary charges to sponsored programs. Signing these confirmations without knowledge of their correctness can be interpreted as a fraudulent action. Further, any deficiencies noted in an audit of this system may discredit our payroll system, result in cost disallowances, and even place the University at risk for receiving future awards.

Confirmation of Effort forms should be reviewed by the person that has direct knowledge that an employee actually performed grant/contract requirements.

The forms are due back to Sponsored Programs Accounting within 45 days. Once the Confirmation has been certified as correct, the confirmed salary is considered final and will not be adjusted. Any Job Labor Redistribution Form that changes the distribution after the Confirmation of Effort is signed will require the completion of a Justification Form. A letter will be sent to the Department Head and the Dean copied when this form has to be completed. This

form will have to be completed and signed by the Principle Investigator, Department Head and Dean.

I. Non-sufficient funds queue

We approve all equipment purchases to ensure the item is budgeted for. If you have entered a requisition for a piece of equipment that was not originally budgeted but you have received approval from the funding agency, please email us a copy of the approval and document number. This will ensure a timely approval of your document.

If you have entered a document against a fund that is out of time and money, email one of the accountants a copy of the no-cost extension and document number. This will ensure a timely approval of your document.

If you are submitting a travel form for foreign travel, this usually requires agency approval. So email a copy of the approval for the foreign travel and the document number to SPAccounting.

When we request a budget revision, we will allow an appropriate amount of time to receive it then if not received future charges may be disapproved until receipt of revision.

J. Funding for American Recovery and Reinvestment Act

If you receive funding from the Recovery funds, we will send you some Operating Procedures when we set up the fund. The fund number will start with 35XXXX.