Accounting Services for Research and Sponsored Programs (ASRSP)

Katherine Mustea
Grant & Contract Financial Administrator

K-mustea@northwestern.edu
To provide exceptional financial administration to sponsored research grants and contracts.

We are committed to the highest standards of financial stewardship and compliance with both University and sponsor regulations.
Other Related NU Offices

- NU President
  - NU Provost
  - VP for Research
  - Sr VP for Business & Finance
    - Assoc VP of Financial Ops
      - Sr Assoc Controller – Financial Ops
        - ASRSP
        - Effort Reporting Project
        - Cost Studies

Roles & Responsibilities
Key Functions of ASRSP

- Financial Reporting
- Collecting Revenue
- Coordinating Audits
- Transaction Review & Approval
- Award Closeout
Why is ASRSP Important?

In Fiscal Year 2014 (between 9/1/13 and 8/31/14):

- $688 million in sponsored research expenditures
- $322 million in receivables created
- 2,991 financial reports submitted
- 5,123 invoices sent

Note: These are FY14 in Numbers
ACCOUNTING SERVICES FOR RESEARCH AND SPONSORED PROGRAMS (ASRSP)

GRANT MANAGEMENT  EXPENSES  POLICIES  FEDERAL INITIATIVES  TRAINING  ABOUT

CONTACT
Accounting Services for Research and Sponsored Programs (ASRSP)
Office of Financial Operations
633 Clark Street
Evanston, IL 60208-1112
Phone: 847-491-3395

UNIFORM GUIDANCE
Do you have questions related to the new Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) which are replacing the eight different OMB Circulars? See our Uniform Guidance page for information on what the Uniform Guidance means for your awards.

OUR SERVICES
The Office of Accounting Services for Research and Sponsored Programs (ASRSP) helps university researchers with financial reporting, invoicing, collecting revenue, coordinating audits, and processing transactions related to their sponsored projects.

ASRSP reports to the Office of Financial Operations. Principal Investigators are encouraged to contact us with questions.

QUICK LINKS
Effort Reporting

www.northwestern.edu/asrsp/
Spending and Payment Considerations
Audit Topics

- Consultant Payments and Sub-recipient Monitoring
- Travel Reimbursements and Visa Fees
- Equipment Purchases
- Procurement Card Purchases
- Computer Purchases
- Cost Transfers
- Overdrafts
Timeliness of Expenditures

- Timeliness becoming very important part of managing sponsored awards
- Federal agencies giving us less time to closeout
- Important to create a spending plan, review it quarterly and reconcile to avoid a loss of funding

General accounting rule: post expenses within 90 days of its occurrence
What is a Consultant?

- Person cannot be classified as employee or subcontractor
- A work plan must be in place before any work is completed
- Work must directly benefit the grant
- US residents and non-residents paid differently

an individual hired to give professional advice or services for a fee
Consultants: Work Plan

- Define the work scope, deliverables and payment terms before work begins*

- Payment terms
  - Flat fee for deliverable
  - Hourly rate and expected hours needed for completion of work
  - If the project is long, a monthly deliverable schedule should be worked out so that payment doesn’t exceed 90 days from the start of work for that period
  - Pay always based on receipt of timely, itemized invoice

* Note: May be asked for this work plan during an audit
Consultants: Speaker Fees

• Normally not allowable on sponsored projects
• Possible exceptions:

  Conference Grants

  Training Grants

  Specifically included in the approved budget

• Presentation must relate to sponsored project and only individuals involved in project should attend
Consultants: Payment

- Determine if the payment will be made through HR or through Accounts Payable.
- Assuming the consultant is US Resident (A/P):
  - If consultant does not have NU vendor code…department must complete an Independent Contract Questionnaire (ICQ) and submit it to HR for review and approval before a vendor code can be issued.
  - Department completes a Contracted Services Form (CSF requires vendor code) and consultant signs: must be after completion of the represented service period.
  - Department creates an online voucher, enters online voucher number on Contracted Services Form, uploads CSF and an invoice from the consultant into voucher in NuFinancials, and submits to ASRSP for review and approval.
- Remember missing information will delay payment
Contracted Services Approvals

Once form is completed and back up has been provided submit the form to ASRSP.

ASRSP will do the following.

1. Review and Audit the form and documentation
2. Submit the form to OSR for their review and approval of fundamental compliance
3. Form is returned to ASRSP we approve the Online Voucher

Account Payable will review and approve the voucher and payment will be made
Interactive Activity

Please work with a partner.

You have 5 minutes to come up with your list of errors. We will discuss the results as a group afterwards.
Contracted Services Form

Request #:

Voucher #:

Payee ID:

Dept Code:

Request Date:

Check Handling:

Phone:

Email:

This form must be completed each time services are rendered by an individual consultant or independent contractor.

Contractor Information

Name: Joe Contractor
Address Line 1: 555 Mulberry Lane
Address Line 2: Apt. 1
City, State, Zip: Evanston, IL 60208

Period of Service: From: 1/1/2012 To: 1/31/2012
Rate of Pay: $50 per hour

Description of Contracted Services (for sponsored project, also describe the benefit to the award):

10 hours of education outreach activities conducted for NURULES center in Jan. 2012. This includes the preparation and distribution of NURULES quarterly newsletter as required by the award terms of the Dept. of Education award.

Contractor's Acknowledgement

I understand that payment will not be issued until performance and completion of the contracted services, and that the date of payment cannot be prior to the work completion date. I understand that agreed upon expenses will not be reimbursed unless I complete a Visitor Expense Report and attach original receipts.

I certify I have not been paid as an employee of Northwestern within the last twelve months. I understand that this payment does not include any employment benefits or tax deductions and that the payment of these is my responsibility.

Contractor Signature: __________________________ Date: 1/13/2012

University Payment Request

Services start date: 1/1/2012 Services completion date: 1/31/2012

Expense Item

<table>
<thead>
<tr>
<th>Service</th>
<th>Fund</th>
<th>Dept</th>
<th>Project</th>
<th>Act</th>
<th>Program</th>
<th>CP1</th>
<th>Acct</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>610</td>
<td>5555555</td>
<td>00055111</td>
<td>01</td>
<td>75010</td>
<td>75015</td>
<td>$500.00</td>
<td></td>
</tr>
<tr>
<td>Reimbursable Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (description):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel Expenses (from Visitor Expense Report)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Payment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$500.00</td>
<td></td>
</tr>
</tbody>
</table>

University Approvals

I approve the payment for services and expenses noted above. The cost was incurred in conformance with the current HR policy on independent Contractors and Consultants on the Northwestern web site. If charged to a Sponsored Project account, it is understood and agreed that these expenditures are subject to review and audit and if found to be unallowable, they will be transferred to a non-sponsored departmental account. The payment requested includes only the expenses associated with the contracted services, is not in payment of honorarium or for subsistence, and is not in avoidance of immigration restrictions, Affirmative Action requirements, payment of fringe benefits, statutory taxes, fees, insurance premiums or any other applicable statutory employment regulation.

Approver

Principal Investigator or Hiring Representative: P.I. Smith

Date: 1/15/2012

School or Center: Admin

Date: 1/17/2012

OIR or Controller:
# Invoice from Services

## Joe Contractor

335 Mulberry Lane, Apt. 1  
Evanston, IL 60208  
Phone 847-555-1212 Fax 847-555-1200  
joecontractor@hmail.com

To NURULES Center  
Northwestern University  
2145 Sheridan Road, M-111  
Evanston, IL 60208  
847-667-5555

<table>
<thead>
<tr>
<th>DATE OF SERVICE</th>
<th>JOB</th>
<th>PAYMENT TERMS</th>
<th>DUE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/2012 - 1/31/2012</td>
<td>NURULES548</td>
<td>30 days</td>
<td>3/6/2012</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>QTY</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>LINE TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 hours</td>
<td>Editing, formatting &amp; creating winter quarter newsletter for NURULES center</td>
<td>$50/hour</td>
<td>$450.00</td>
</tr>
<tr>
<td>1 hour</td>
<td>E-mail and USPS distribution of winter quarter newsletter for NURULES center</td>
<td>$50/hour</td>
<td>$50.00</td>
</tr>
</tbody>
</table>

SUBTOTAL $500.00  
SALES TAX $0.00  
TOTAL $500.00
Subcontracts Overview

PI/institution gets awarded grant or contract from sponsor

A portion of the project cannot be completed at NU

The subcontract generally has a budget for salary, fringe, supplies, etc.

The sponsor requirements and terms & conditions must be passed down with the subcontract

Subcontract is written to a PI at outside institution or company to complete portion of the project
Sub-recipient Monitoring

- PI collects and monitors the technical performance of subcontractor

- Subcontractor should submit invoice to ASRSP regularly
  - Final invoice must be received on time

- PI must review invoices to insure that charges reflect the work being done

- ASRSP reviews A-133 reports for sub-recipient institution
Subcontract Payment Process

- **Department creates Requisition in People Soft + Receiver Required (Y)**
- **ASRSP receives and forwards invoices to the Department**
  - **Invoices are certified by PI that costs charged are acceptable and work has been performed**
  - **Invoice returned to ASRSP from Department for processing with Accounts Payable**
  - **Department approves receiver required field in People Soft**
- **AP sends check to ASRSP**
- **ASRSP reviews and then mails check to vendor along with a copy of the invoice**

ASRSP - Spending & Payment
Travel Allowability

- Travel must directly benefit the grant
- Professional development and networking expenses are not allowed on grants
- Costs must be within NU and sponsor guidelines
- Travel must be allowed by the sponsor
- Travel must be approved in advance
General Travel Regulations

- Travel must be completed within award budget period
- Working lunches and local meals are not allowable
- Reimbursement can only be made upon completion of travel
- $65 limit per person on meals, including tax and tip
- Alcohol is not allowable
- Original Itemized receipts required unless per diem option is selected prior to travel
- Travelers will be reimbursed for reasonable and actual costs of lodging
- Penalties, fees, and upgrades are generally not allowable
Visa Fees

- Fees for visas are allowable when foreign travel is authorized as part of the budget, and a visa is necessary for travel.

- NIH allows visa fees for employees only for recruitment purposes. Renewal applications are not allowable.

- NSF does not allow visa fees for employees.

- For other federal agencies, the determination of allowability is still pending.
Fly America Act & Exceptions

Federal law prohibits use of a foreign air carrier when travel is paid for by federal funds, with limited exceptions:

- US carrier does not service the route
- Excessive delays or layovers to use US carrier
- Medical necessity with sponsor pre-approval
- Use of foreign carrier puts travel at risk
- The grant is not funded by the Dept. of Defense and an Open Skies agreement exists
Open Skies Agreements

- US air carriers are the easiest option for foreign travel
- The Dept. of Defense does not allow an Open Skies exception to the Fly America Act
- Air carriers from European Union member states is allowable non-DOD federal grants
- Travel on an Australian, Japanese or Swiss air carrier may be allowable
- University preferred travel vendors are there to help
Equipment

Capital Equipment: $5,000+ and useful life 1+ years

- OMB Circular A-110 describes equipment use, title, inventory and disposal requirements
- Purchase within final 3 months of grant is audit red flag
- ASRSP reviews and approves equipment expenditures
- Government titled property is managed by ASRSP
Procurement Cards

A tool to streamline low value purchasing transactions. The card does not avoid or bypass appropriate procurement or payment procedures. The card is not used for travel and entertainment purposes.

• Include a detailed description of the item being purchased
• Be sure to keep all backup documentation, such as the pcard log and receipts, for audit purposes
• ASRSP reviews all charges at the end of a grant, including pcard charges, for unallowable items
Computer Purchases

- Must be necessary for and provide benefit to the project
- Only allowable in unlike circumstances
- Must be directly allocable to the project
- Must be reasonable
- Currently in a transition year
  - Stay tuned for OMB Circular updates on this topic
Cost Transfers

Expenses moved from one chartstring to another to correct an error

Support for cost transfers includes:

• Description of the expense item
• Explanation of how the expense benefits the grant
• If it is travel, who traveled, to where, for what and the date of the travel
• Detail why or how the expense was charged incorrectly
• No need to say “moving from project A to project B”
• Timeliness very important!
Overdrafts

Overdrafts are an uncollectable cost.

Department is responsible for funding these costs.

Transferring overdrafts to another sponsored project is not allowable.

Overdrafts typically cannot be transferred to continuation award.

ASRSP will charge department or center chartstring if overdraft is not resolved.
# Administrative Systems Training

## Grants

**Sponsored Research Overview**

- **FMS502 InfoEd Proposal Development**
- **FMS503 InfoEd Approvals**
- **FMS505 Managing Sponsored Projects**

### Before Class

1. The Grant Chart String
2. Grants Training Plan

### Course Session

Register: [FMS505 Managing Sponsored Projects - Classroom](http://ffra.northwestern.edu/training/curriculum.html)

### After Class

1. InfoEd Proposal Tracking

### Library

- **Managing Sponsored Projects**
- **Award Management Quick Reference Guide**
- **Sponsored Research Checklist**
- **Reading the GM045 Report**
- **Reading GM045**
- **Reading the GL008**
- **Reading GL008**

---

http://ffra.northwestern.edu/training/curriculum.html
What is Award Closeout?

A collaborative effort to coordinate the completion of a project to meet all requirements and deliverables established as a condition of the award.
Closeout

• Begins 90 days before a grant end

• A time to settle all expenses that belong on the grant and to send final reports due

• Reconciliation throughout the sponsored project period assists with a smooth close out

• Department should strive to post all expenses on a grant by the end date to avoid loss of funding
Closeout e-mail
PI and RADM will receive a closeout email and talk about closeout plans.

Prespending?
Dept requests prespend chartstring for competing continuations.

Effort Check
30 days before effort reviewed. Respond to emails that require corrections ASAP.

Award End Date
Grant has ended. No new expenses should post.

Finalize Expenses
Dept follows up on unposted expenses, and communicates status to ASRSP.

FFR DUE
ASRSP reviews expense for allowability and will submit before deadline and close chartstring.

No Cost Extension?
Dept either requests a NCE or begins final spending plan.

Review Expense & Encumbrances
Dept insures encumbrances are valid, reviews expenses to insure they are allowed, and initiates final PO’s or corrections.

Internal Services Stop
Dept should inform lab staff & internal service centers to stop using chartstring.

Final Progress Reports
PI prepares and submits. Dept should keep a copy in file ready for auditors’ request.

Final Invention Statement
PI should Submit through OSR.

Final Effort Reports
PI & Dept certifies final effort reports.

Carryover Request
PI submits carryover request to OSR if terms require approval.

Closeout Timeline

-90 to -60 days before

-30 days before

30 days after

60 days after

30 days before - 90 days after - 60 days after
~ 90 days before grant ends, ASRSP sends a closeout notice.

Department contacts recharge center and lab staff of changes.

ASRSP GCFA contacts department about report. Includes an approved payroll journal on FFR.

A Recharge center expense posts for period after the grant ends. Somehow they didn't get the message.

ASRSP sends an FCTR based on NUFIN information. Payroll is not showing up in NUFin but recharge cost is.

In the past, ASRSP would report corrected expenditures on future reports sent. **NOW a Grant is closed by Payment Management after 90 days.** Award is reduced to lowest number reported.

---

90 days before

Department discovers missing payroll, and old unpaid encumbrances

90 days after

Payroll journal posts in NUFIN after NIH closes grant. Department will have to cover payroll and other unallowable items on dept. chart string.

---

Grant ends

Department gets award ready except payroll journal over 90 days old (paper) being processed and moving through approval channels.

ASRSP processes the **weekly** LOC P subaccount draw within NUFin. **Payroll is not showing up in NUFin.**
Transfer or Relinquishment

• Complete OSR-4 form 90 days prior to transfer or close

• Arrangements made for project personnel

• Work with INVO regarding any intellectual property

• Work with Accounting Services for equipment transfers

• Inform ASRSP to prepare financial report and close chartstring

• Follow standard closeout procedures
Federal Government Changes to Closeout

• Uniform Guidance requires reports due 90 days from the end date
• Federal Agencies are now enforcing those rules
  – Ex: Most Federal agencies will have a strict 90 day closeout window
  – NIH and NSF are the exceptions they are granting 120 days but no extension can be asked
• If ASRSP is unable to draw funds and submit the final report departments will be responsible for uncollected funds
• All expenses must be posted in NU Financials within 60 days of the end date to ensure payment
• Final subcontract invoices need special care when closing out
Questions?