



**Award Management & Cost Transfers**

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The slide content is presented on a white background with a drop shadow effect, set against a light beige background with a fine, repeating pattern. A small version of the University of Wisconsin-Madison logo is located in the top right corner of the slide's border.



## Topics for Today

1. Overview
2. Monitor Project Spending
3. Cost Transfers
4. Financial Reporting, Invoicing, & Closeout
5. Compliance & Audit

And lots of conversation!



## 1. Overview: “Trade Lingo”

- RSP: Research and Sponsored Programs, serves all of campus
- College/School: The dean’s office, example: CALS, SMPH, L&S, etc.
- Department: Unit within a C/S, example: Botany (L&S), Medicine (SMPH)
- Center: Like a department, located within a C/S, sometimes crossed
- Award: MSNXXXXXX
  - Project: PRJXXXX or AAAXXXX or AABXXXX or AACXXXX
  - Each award can have several projects, but most have just one
  - Projects can have different budgets and dates, but they must align and/or roll up to the award information

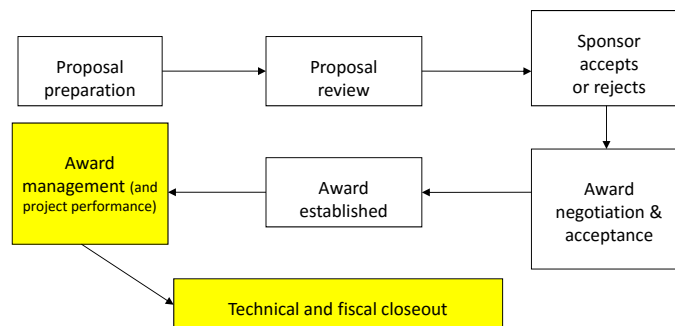
## 1. Overview: What is Award Management?

Day-to-day activities to assure compliance with award requirements, terms and conditions, from the receipt of the award through close out and beyond.

Managing award doesn't start when the agreement is signed, it starts before the proposal is even submitted.

- Can we accept certain terms of the award?
- Can we enter into the type of service agreement PI needs?

## 1. Overview: Lifecycle of sponsored projects





## 1. Overview:

### Why is responsible award management important?

- Maintains relationship of trust between sponsors, institution and public, and reputation with colleagues
- Future awards depend on it
- Audit findings and cost disallowances
- Criminal, civil and administrative penalties
- Not managing your awards correctly can cost the UW money!



## 1. Overview: Roles and Responsibilities

Although the responsibilities are shared, each unit focuses on a unique role to fulfill.

Responsibilities shared by:

- Principal Investigators – THE SCIENCE!
- Departments and center staff – BOOTS ON THE GROUND
  - Payroll, Effort Coordinators, Department Administrators, Financial Specialist, Accountants, Grant and Contract Specialists
- Dean's Offices – FIRST LINE OF DEFENSE
- Research and Sponsored Programs (RSP) – SECRETARY OF STATE
- Accounting & Business Services – SUBJECT MATTER EXPERTS



## 2. Monitoring Project Spending

- If the research needs to start right away, request account number in advance to begin project on time and to apply costs directly to the account.
- Consider an “entrance conference” with the PI and admin staff.
- Establish clear and regular communication between PI, payroll, accounting, procurement, and research administration.
- Request sufficient sub projects or expanded edits at time of award setup.
- Reconcile monthly to WISDM.
  - Our systems are not error free
  - Beware of and prepared for human error



## 2. Monitoring Project Spending

- Apply costs directly to award and in a timely manner.
- Become familiar with Divisional Dashboard queries – or learn who has access to them (ex. potentially unallowable query).  
<https://www.rsp.wisc.edu/routing/Programs/APRVDashboard.cfm>
- Monitor subawards – they are your responsibility and part of the award.
  - Subaward invoicing
  - Subaward invoice approval
  - Subaward Portal **NEW! EXCITING!!**  
<https://www.rsp.wisc.edu/Subs/Internal/SubPortall.cfm>




## 2. Monitoring Project Spending

- Don't wait until closeout to review postings.
  - Spot check funding whenever you apply an expense.
  - Cost transfers and large purchases within the last 60-90 days of an award draw attention to auditors.
- Deficits and balances are not always what they seem to be – dig a little deeper.
  - There might be more funding or time expected – ask questions.



## 2. Monitor Project Spending – Tools


- **WISDM** <http://www.bussvc.wisc.edu/acct/sfs/index.html>  
The Wisconsin Data Mart for PeopleSoft Financials  
WISDM project management tools: My Projects, Project Search, Award Funding Action Report, WISPER Search, Old Project Search, and much more.
- **RSP Database Queries**  
<http://www.rsp.wisc.edu/queries.html>  
Databases of proposal and award information, human subjects training verifications, names of accountants assigned to your awards, school/college contacts, and much more.



## 2. Monitor Project Spending – Tools

- **PI Financials Tool** <https://pi.wisc.edu>  
The tool brings together data that already exists in a variety of applications on campus such as the Shared Financial System (SFS), and the data will update each time a person logs into the tool. PIs can delegate.
- **PI Portal** <https://research.wisc.edu/pi-portal-brochure/>  
A dashboard of a PI's personalized research administration, compliance, and training information, and an on-ramp to the tools the PI needs. PIs can delegate.

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## Case Studies

Your payroll coordinator notices that the project a graduate student is paid on expires in a couple weeks. What should the payroll coordinator do?



### 3. Cost Transfers

- Definition - A cost transfer is an after-the-fact reallocation of costs either salary or non-salary costs, to a sponsored project within a 90-calendar day period from the accounting date.
- It is the policy of UW-Madison that costs should be charged to the appropriate sponsored project when first incurred.
  - <https://www.rsp.wisc.edu/policies/costtransfer/>
- Cost transfers move posted costs – NOT budgets or funds.
- Cost transfer tool is not the system to replace the internal billing process nor P-card log.
- Salary cost transfers cause a lot of problems if the salary fix is not timely.
- Clear justification: why was it initially charged to project A, why does it need to be moved and why is it allowable on project B.



### 3. Cost Transfers

#### Pop Quiz: Cost Transfer Wording

*Which statements look good, which statements look bad? Why?*

1. Transferring travel from AAA7601 to AAB7404 to fix an error.
2. Mixed up project ID during procard edit; AAB2251 should be AAB2215. Supplies that were purchased advance project AAB2215.
3. Using transfer to get these charges on the correct funding.
4. Moving expenses from AAC1142 to AAA4544 to clear overdraft.
5. Transfer is necessary to spend down grant.
6. Grant ended and project funding was not updated to successor project. X supply is used to stabilize protein samples.
7. Moving expense from project AAA6944 to project AAB2120.
8. Transferring expenses from PRJ78XY to AAA6560 because RSP told me transfer was needed.
9. Expense is unallowable on grant because it was purchased after the grant end date. Moving to unrestricted funding used to support PI's overall landscape monitoring research.
10. Transfer from AAB2441 to AAA9585 because PI said the transfer was necessary.
11. Moving salary from AAA5604 to PRJ24AB because AAA5604 ended.
12. HRS default project was used because researcher did not report to payroll office which project student worked on. Transfer moves salary to that project. Updates have been made to HRS funding.





## Case Study

Late payment of an allowable subaward invoice, which will put the project in deficit.

Options:

1. Pay subaward invoice on two separate funding strings
2. Pay subaward on intended project, then transfer part of subaward to different funding string
3. Pay subaward on intended project, then transfer other expenses to different funding string
4. Other?



## 4. Financial Reporting, Invoicing & Closeout

- Be sure PI and research administrator(s) are fully aware of technical reporting requirements, financial reporting requirements, deliverables, special or unusual terms and conditions.
- RSP is responsible for submitting invoices and financial reports to sponsors (EXCEPTION: Clinical Trial billing).
- Different bill plans:
  - Cost reimbursable
  - Scheduled
  - Prepaid
- Often the RSP accountant will need to work closely with the department to categorize expenses properly.

## 4. Financial Reporting, Invoicing & Closeout



- Invoices submitted to the sponsor are available in WISDM.
- RSP's Revenue Management Team initiates a collection process at 75 days past due.
- What does "closeout" mean? It depends.
  - Award end date
  - Final report submitted (Federal definition)
  - Project in status 3 (closed adjust) or 5 (closed in WISDM)
  - Award closed
- Closeout: 60-day closeout e-mail, computation e-mails, and suspense accounts.

## Case Study



An annual financial report for a 3-year award is due on 3/31/17 for period 1/1/2016 – 12/31/2016.

On 1/15/2017 someone on campus pulled numbers from WISDM and submitted them as the official financial report.

Dun...dun...dunnnnnn

## Discuss



## 5. Compliance & Audit

- Read the award! You can find it in WISDM under the Associated Docs tab.
- If you can't find what you need in the award agreement refer to the request for proposal (RFP) or sponsor website.
- WISDM Requirements tab calls out need to know terms and conditions.
- Uniform Guidance 2 CFR 200
  - OMB Circulars A21, A110, A133 (only applicable to awards granted before 12/26/20145)
  - <https://www.rsp.wisc.edu/UG/index.html>



## Bucky loves the Uniform Guidance!





## Case Study

The department administrator receives a check for \$10,000 along with some letters for the PI. It's not immediately clear what the money is for.

What should we do next?  
What clues do we look for?

Discuss



## Final Thoughts

- Build relationships!
- Communicate and ask questions. Most people want to help. If you feel you've hit a barrier, keep looking for a helper.
- If you see something, say something. Don't assume the next person will catch errors or question oddities.
- Words to live by: "It depends." & "There's usually a way."
- Words to forget: "We've always done it that way."

