Bookkeeper Meeting

JULY 15, 2020

Agenda

Sponsored Project Cost Transfers

New Payroll Reallocation Forms

New Budget Revision Form

Closeout Form Follow Up

Update on new Policies and Procedures

Miscellaneous Reminders

Office of Research Update
◦ Amanda Gallop

Discussion / Questions

Sponsored Project Cost Transfers

A cost transfer or reallocation occurs when any cost is first charged to one index and later transferred to another index. If one or both of the indexes is a grant, then the transfer is referred to as a sponsored project cost transfer. A sponsored project cost transfer is not a reclassification of charges on an individual award from one expenditure type to another, i.e., from 74510 (Supplies) to 74620 (Operating Leases Equipment).

When a sponsored project cost transfer is found, a request to transfer the cost should be submitted as soon as discovered, but no later than 90 days after date of discovery. The preference is that the transfer be requested within 90 days of the date of transaction.

An excessive number of cost transfers may lead to financial compliance risk and suggests a lack of proper award management and internal controls. To mitigate the risk, follow these guidelines:
- Keep the number of cost transfers to a minimum
- Transfer appropriately by verifying costs charged benefit the award
- Reconcile accounts monthly to verify expenses are charged correctly
- Document cost transfers by completing the new required cost transfer form in detail
- Be timely in requesting required cost transfers

Sponsored Project Cost Transfers

Two forms are required for Sponsored Cost Transfer requests:

M:\Business-Office-Training\Forms\Grants\Cost Transfer Request   Grants_03122020.pdf

M:\Business-Office-Training\Forms\General Accounting\Correction Request Form.xlsx

While this may seem like duplicative effort, it is necessary to mitigate risks previously discussed as well as strengthen internal controls surrounding transfers. Transfers are one of the hot topics of audit and we are obligated to scrutinize them accordingly. In addition to concerns about duplicative effort, there has also been confusion surrounding the wording on the cost transfer form versus the wording on the IDT Correction Form. Would it be helpful to change the wording on the Cost Transfer form from Decrease to "move from" and from Increase to "move to?"

INCREASE Index	INCREASE Account	DECREASE Index	DECREASE Account	Amount	Description of Charge
				$	

Cost Transfer Request Form

(Debit Index)	(Debit Acct)	(Credit Index)	(Credit Acct)		
Move TO Index:	Move TO Account:	Move FROM Index:	Move FROM Account:	Amount:	Description of Charge:

IDT Correction Form

Labor and Benefit Reallocations

Reallocation requests for labor and benefits are also considered sponsored project cost transfers; therefore, all the same risk factors and guidelines apply. This includes requesting the reallocation no later than 90 days after date of discovery. All requests require the signature of the Principal Investigator. If the request is greater than 90 days, then an additional explanation is required along with the Chair's or Dean's signature.

New forms are available on the HR website. They can be found at:

Tntech.edu/private/hr/ > HR Forms > Payroll > Reallocation of Benefits (Grant or Match)

Tntech.edu/private/hr/ > HR Forms > Payroll > Reallocation of Labor (Grant or Match)

New forms are also available in the Business Office Training Folder:

 M:\Business-Office-Training\Forms\Grants\Benefit Reallocation _ Grant and Match_03122020.pdf

M:\Business-Office-Training\Forms\Grants\Labor Reallocation _ Grant and Match_03122020.pdf

Procedures

A new detailed procedure for Cost Transfers and Reallocations is being developed and should be finalized by the end of the year.

Sponsored Project Cost Transfers (non-payroll)

- Complete the Cost Transfer Request Form, including signatures, and submit to Grant Accounting at dgernt@tntech.edu along with the completed Correction Request Form. Grant Accounting will review. If approved, the request will be forwarded to idt@tntech.edu for correction. If disapproved or if more explanation is required, it will be returned to the sender.

Labor / Benefit Reallocations

- Complete the appropriate HR form for Grant or Match reallocation, including signatures. Submit to Grant Accounting at dgernt@tntech.edu. Grant Accounting will review. If approved, the request will be forwarded to HR at shaney@tntech.edu for correction. If disapproved or if more explanation is required, it will be returned to the sender.

Cost Transfers - Discussion

Discussion Topics / Concerns:

"You can't digitally sign any of the new PDF copies under Grant Accounting. Signature lines should probably be created." Feedback? Is a digital signature preferred over Adobe Pro? Does everyone have access to Adobe Pro?

"The new correction forms required by Grant Accounting are duplicate effort. The Business Office should accept Grant Accounting's form if this is going to be required for grants.

◦ Is the "Increase Index" the index we move money to and the "Decrease Index" the index we move money from? This should probably mirror the wording on the Business Office form to avoid confusion. "

Feedback?

I'm open to any suggestions for improvement!

New Budget Revision Form

New form can be found at:

[M:\Business-Office-Training\Forms\Budget\Updated Budget Revision Form - ELECTRONIC.pdf](M:\Business-Office-Training\Forms\Budget\Updated Budget Revision Form - ELECTRONIC.pdf)

Procedure for Grant-related budget revisions:

- Get signatures of Project Director / Department Chair / and Dean [the left side of the revision]
- Forward form to Nicole Clark in the Office of Research
- Nicole will secure the signature of Dr. Otuonye as VP for Research & Economic Development (if applicable) [the right side of the revision]
- Nicole will review and initial and send to Grant Accounting
- Grant Accounting will review and initial and send to the Budget Office for processing
- The Provost's Office is not required to sign budget revisions related to Grants

Closeout Form Follow-up

New closeout form can be found at:

[M:\Business-Office-Training\Forms\Grants\Closeout Form_RE.pdf](M:\Business-Office-Training\Forms\Grants\Closeout Form_RE.pdf)

New closeout form discussion:

- Suggestion to add the following to the PI section for Final Report, "Have all equipment reporting documents been completed for sponsor?" Feedback? This was not included on the "old" form. Is it needed?

- Suggestion: There should be an N/A column when the question doesn't apply. Feedback? Should we try to add another column for N/A? Could the comments line be used to explain why a question was skipped or a question was marked "No?"

Policies & Procedures Update

The Office of Grant Accounting and the Office of Research have been working with Huron, an independent consultant, on defining roles and responsibilities and updating policies and procedures. Planning and Finance (500 series) Policies and Procedures currently in draft status:

Policies
- Financial Closeout of Sponsored Awards
- Cost Principles for Sponsored Projects.
- Effort Reporting / Compensation Compliance
- Travel on Sponsored Projects
- Procurement on Sponsored Projects
- Gifts vs. Grants

Procedures
- Award Monitoring
- Effort Reporting / Compensation Compliance
- Cost Transfers and Reallocations
- Closeouts

Miscellaneous Reminders

Activations

- All activations (AAF) are to be submitted via DocuSign. Please remember to attach all documentation when submitting, including contract, match budget revisions, as well as emails and other correspondence that are pertinent to the grant details. Without attachments to verify activation details, the process can't be completed.

Year- End Spending

- In order to set something up as a payable at year end, the item has to be received before June 30, or the services had to be rendered before June 30. If an expense is set up as a payable, then the expense shows in the current fiscal year. However, if the item hasn't been received or the services were rendered after June 30, then a payable cannot be set up even if the item was ordered prior to June 30. The expense, in this case would show in the new year. Just a reminder to keep this in mind when you are placing orders on grants toward the end of the fiscal year, especially if it is a multi-year grant where funds do not roll forward. Always keep in mind that the receipt date of items ordered must be on or before June 30 in order for the expense to be recorded in the current fiscal year. The PO/encumbrance of funds really doesn't matter on the expense side.

Office of Research Updates

- New Request for Program and Budget Revision Form available in DocuSign
  - Tntech.edu/Research > Forms > Post-Award Forms > Request for Budget or Project Revision
  - https://www.tntech.edu/research/pdf/forms/Request_for_Revision_FILLABLE20200714_RE.pdf

New policies approved in January and added to Policy Tech.
- 710: Sale of Services
- 720: Principal/Co-Investigator and Senior Personnel Roles and Responsibilities
- 721: Subawards and Subrecipient Monitoring
- 722: Cost Principles for Sponsored Projects
- 723: Cost Sharing
- 724: Charging Clerical and Administrative Costs on Contracts and Grants
- 725: Project Closeout
- 726: Program Income

Discussion and Questions

NEXT MEETING – AUGUST 19, 2020 – 10 AM

LOCATION - TBD

Items for Follow-Up

Cost Transfer Form - Change wording to match IDT Correction Form. Decrease will be changed to "Move FROM" and Increase will be changed to "Move TO"

Labor Reallocation Form and Benefit Reallocation Form are one document in Business Office training folder. Separate into two separate documents.

Add digital signatures to forms

Closeout Form - Move equipment report requirement from Bookkeeper to PI

Set up a Teams Groups for Bookkeepers for sharing ideas and files (such as shadow system spreadsheets)