Today’s Agenda

• Cost Transfer Policy Update
• Retro Form Updates
• Project Team Workflow
• Effort Reporting Update
• Risk Account Set Up/ Award set up and Close Out
• Summer Pay on Grants
• Sub-Award Invoicing
• Helpful Hints
Cost Transfer Policy

**Policy Title:** Grants and Funds Management – Cost Transfer Policy (FINA 3.35)

**Purpose:** The purpose of this policy is to set forth the University of South Carolina’s requirements for cost transfers to, from, or between sponsored projects.

**Definition:** A Cost Transfer is a reassignment (transfer) of charges between accounts. *This includes both direct charges and cost share.*
Cost Transfers- Starting 4/15/2021

Any cost transfer (including Retro Funding Changes) must have a cost transfer justification form attached, if they impact sponsored awards. This form replaces the need for any memos that would otherwise have been included when requesting transfers.

This form is to protect all vested parties

- Ensures PI review and approval prior to expenses being moved
- Ensures proper documentation to avoid audit findings
Cost Transfer Justification Form

PURPOSE
This justification form will help ensure compliance with Uniform Guidance along with University policy regarding cost transfers. In the event of an audit, the information provided below will be used to substantiate the adjustment. This form is required for any cost transfers that adjust expenditure incurring sponsored project accounts (like USCIP Business Unit). Principal Investigator (PI) certification and approval is required for all cost transfer requests. Once completed, this form needs to be attached with required supporting documentation to the proper request (Payroll Retro, Expense Module Correction Form, AR forms, etc.). If this form is not included, the request will not be completed.

COST TRANSFER TYPE
- Payroll Retro - Funding Change Request
- AR (payment through check/tender)
- PI (payment with PIF)
- Other

Original (incorrect) chartfield *
Correct chartfield *

* For payroll retro forms, “see retro form” may be listed if multiple projects/funds are involved in the request

JUSTIFICATION
1. Please specify the transaction(s) being moved and how it directly benefits the sponsored project it is being moved to. If this is being moved to a USCIP account.

2. How was this error or situation discovered? Please include the reason this was originally charged to the incorrect sponsored project or account.

3. How will this type of error or situation be prevented from happening in the future?

CERTIFICATION
As PI, I approve this expense to be adjusted according to the fund(s)/project(s) listed above. I certify this expense is in accordance with the award budget as well as allowable and necessary for accomplishing the scope of work.

PI Signature: Date: PI Signature: Date: 
Printed Name: **Printed Name: 
**If adjustment impacts more than one PI
**Payroll Retro Funding Changes**

New Form:

<table>
<thead>
<tr>
<th>USC ID:</th>
<th>NAME (Last, First):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>JUSTIFICATION/NOTES (Cost Transfer Justification Form must be completed and attached if a USCSP project is part of the transaction):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PAYCHECK DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

Old Form:

<table>
<thead>
<tr>
<th>USC ID:</th>
<th>NAME (Last, First)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMPL RECORD:</th>
<th>HOME DEPT#:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEPARTMENT NAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>JUSTIFICATION/NOTES:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

Form can be found on the homepage of the Controller’s Office website.
Cost Transfers – May Be Allowable

Grants and Funds Management (GFM) reviews cost transfers for allowability. The following three prerequisites are considered:

- The cost transfer must provide a direct benefit to the Sponsored Project being charged.
- The cost transfer must comply with both the University’s policies and sponsor’s terms and conditions.
- The cost transfer must be fully documented.

Other factors, such as timing may affect allowability.
Example Transfers that May Be Allowable

The following is a list of examples that illustrate circumstances in which a cost transfer may be allowable:

• To correct errors due to the untimely receipt of information by the University (e.g. late notice of award).
• To reallocate effort based on actual effort expended.
• To move pre-award costs to the appropriate project in accordance with Uniform Guidance.
• To correctly allocate costs benefiting more than one project.
• To remove unallowable charges.
• To remove out-of-period charges.
Cost Transfers – Not Allowable

Certain cost transfers **are not** allowable under any circumstances. Such as:

- To correct deficiencies caused by overruns or other funding considerations.
- To avoid restrictions imposed by the law or by terms of the Sponsored Project.
- To “park” expenses which will subsequently be transferred elsewhere, including to competing or non-competing continuations of the same project for which the notice of award or new project has not been received.
- To transfer costs to a sponsored project merely because there are unexpended funds available which would otherwise be returnable to the sponsor.
Timing of a Cost Transfer

A cost transfer should be processed as quickly as possible upon discovery of the error. Some cost transfers that are deemed allowable, may be impacted by other factors such as:

- Financial report due/submission date
- Carryforward request due/submission date
- Final invoice due/submission date

**Note:** Cost transfers which remove expenditures from sponsored projects are not subject to a time limit, and must be prepared at any time that it is determined that an expenditure charged to a sponsored project is not appropriate or allowable to that project.
Project Team Updates

• Annual auditors review workflow set up to confirm PI’s are included in expense review and approval
• All workflow items should route to the PI, if this presents issues please work with Marie
• All PI changes must route through the SAM Office
Project Team Updates

• The automated emails about close out pull from the project team- changes can be requested through Marie
  – There is the ability to list more than one Business Manager
Effort Reporting

• July – December 2020 effort reports were due March 5th
  – 173 reports are still outstanding

• Be sure to review reports in error and email GFMecert@mailbox.sc.edu

• Do NOT wait until effort reports are released to review payroll

• Payroll should be reviewed throughout the life of the award

• Use Reporting Tools!!

• Re-certifications should be infrequent
Account Reopens

• Delayed review of accounts that are already closed causes an account reopen

• Often result in refunds to sponsors

• Increased red flags and questions/concerns from the sponsor
Account Set Up and Close Out

• June 2021 has over 200 accounts that will close, July has another 100- by August we will have 300 accounts in close out.

• Over 175 that will also be set up to begin in July. From June through August over 300 new accounts will be established.
Account Set Up and Risk Account Reminders

• In order to keep pace, the need for risk accounts needs to be evaluated in May, and formally requested by 5/15, to ensure time to have account changes and reappointment completed by 7/1.

• With the increased volume and so many urgent requests, it is difficult to accommodate.
Risk Account Requests

1. PI prepares a memorandum or email containing the following information:
   - Title of project
   - Sponsor
   - Minimum dollars required, by object code, to accomplish objectives
   - Dates of proposed risk account (not to exceed three months)
   - Justification (e.g. the proposal is approved and awaiting final administrative action by the sponsor)

2. PI obtains Chair and Dean approval of the request

3. PI forwards the request and approvals to their assigned SAM Administrator
System Set Up Timeline

Project Generation needs an estimated 5 days, this includes nightly batches that must run within the process

- System interface
- Crosswalk set up and Combo Code set up
- Actual award set up
Reappointments

• Reappointments need to be processed before account changes, especially if the effective date of the reappointment is before the start of the next funding year. The usual effective date of a reappointment is the date the eform is submitted.

  – For example, if the next funding year for an award starts 4/1/21 and the effective date of the reappointment is 3/16/21 or even 3/31/21 the eform would have to have old year of funding. Once the reappointment is finalized in HCM then an account change can be submitted effective 4/1/21 to the new year of funding.
Ending Awards - Payroll

• If applicable risk accounts are not requested in time, all out of period payroll will continue to be redirected.
  – The goal is to avoid this, as it creates more retro requests to be completed and processed
Close Outs - State Agencies

• We negotiate as much as possible to do a June- Not final invoice and once 7/15 for lag employees post submit the final.

• State agencies cannot give much beyond this- please work closely with your PAA to ensure all costs are posted.
Close Outs- State Agencies

• Some agencies cannot give time beyond the 7/5 deadline for an additional invoice.
  – If you have a lag employee issue, please email Marie and Lindsay for possible solutions
  – Please account for this deadline with spending and purchases at the end of June
Close Out - Other Agencies

• Most other agencies will give 30-60 days for final invoices, June closes, please work to ensure that all costs are accounted for through by 7/31. This will give PAAs time to review, gather backup and get finals out to sponsors as timely as possible.
Close Out - Other Agencies

• Charges not posted within 30 days of the end date:
  – GFM will continue to work closely with the compliance group regarding subs.
  – If there are IITs, or internal charges—let us know so we can help reach out and ensure costs are processed.
Central Resources - Close Out

- 90 and 30 day emails prior to end date
  - Work with SAM for extensions
- 15 day email after end date
- Checklists on the website
- Combo Code End Dates in the system
Incrementally Funded Awards

- Sponsors such as NIH will award funds by budget period, within a project period.
  - The Non Competing segment may last 5 years
  - The funds available will only be through the current funded budget period
Sub-recipients / Sub-awards

• SAM coordinates with the Controller’s Office to set up purchase orders for Sub-recipients / Sub-awards through PeopleSoft

• Reimbursement Steps:
  – Sub-recipients must submit invoices to the sub-invoice mailbox: subinv@mailbox.sc.edu
  – PI must approve all sub-recipient invoices
  – GFM will submit approved invoices to AP for payment
Invoices from sub-recipients must meet the requirements as outlined in the terms and conditions of their agreement.

Invoices will be returned if they do not meet the minimum requirements.

Generally, the invoice must contain:
- Subaward and/or PO number
- Period of performance
- Current and cumulative expenses
- Certification statement & signature
### FDP Cost Reimbursement Research Subaward Agreement

#### Federal Awarding Agency:
US Department of Energy (DOE)

#### Pass-Through Entity (PTE):
**University of South Carolina**

**PTE PI:** [BLANK]

**PTE Federal Award No.:** DE-EE0008842

**Project Title:** A Multifunctional Isostructural Bilayer Oxygen Evolution Electrode for Durable Intermediate-Temperature Electrochemical Water Splitting

**Subaward Period of Performance (Budget Period):**
- Start: 10/01/2019
- End: 12/31/2020

**Amount Funded This Action (USD):** $75,604.00

**Estimated Project Period (if incrementally funded):**
- Start: 10/01/2019
- End: 12/31/2022

**Incrementally Estimated Total (USD):** $289,731.00

#### Subrecipient:
**University of Massachusetts Lowell**

**Sub PI:** [BLANK]

**Subaward No.:** 20-4038

**Subaward Number:** No. 200052058 USC No. 10009634

### Terms and Conditions

1. PTE hereby awards a cost reimbursable subaward, as described above, to Subrecipient. The Statement of Work and budget for this Subaward are as shown in Attachment 5. In its performance of Subaward work, Subrecipient shall be an independent entity and not an employee or agent of PTE.

2. Subrecipient shall submit invoices not more often than monthly and not less frequently than quarterly for allowable costs incurred. Upon the receipt of proper invoices, the PTE agrees to process payments in accordance with this Subaward and 2 CFR 200.305. All invoices shall be submitted using Subrecipient’s standard invoice, but at a minimum shall include current and cumulative costs (including cost sharing), Subaward number, and certification, as required in 2 CFR 200.415 (a). Invoices that do not reference PTE Subaward number shall be returned to Subrecipient. Invoices and questions concerning invoice receipt or payments shall be directed to the party’s Financial Contact, shown in Attachment 3A.

3. A final statement of cumulative costs incurred, including cost sharing, marked “FINAL” must be submitted to PTE’s Financial Contact, as shown in Attachment 3A, not later than **60** days after the Budget Period end date.
Common Invoice Issues

As we continue to follow up on payments, there are a few common issues that create payment delays or rejections:

– Cost share out of ratio
– Spending out of category
– Delayed spending
– Lump sum spending
– Missing progress reports
## Helpful Tips - Summer Pay

### Table: 2021 Pay Period Ending vs Deadline (Submit to HR by Noon on)

<table>
<thead>
<tr>
<th>2021 Pay Period Ending</th>
<th>Deadline (Submit to HR by Noon on)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saturday, May 15, 2021</td>
<td>Wednesday, April 21, 2021</td>
</tr>
<tr>
<td>Monday, May 31, 2021</td>
<td>Thursday, May 6, 2021</td>
</tr>
<tr>
<td>Tuesday, June 15, 2021</td>
<td>Monday, May 24, 2021</td>
</tr>
<tr>
<td>Wednesday, June 30, 2021</td>
<td>Tuesday, June 8, 2021</td>
</tr>
<tr>
<td>Thursday, July 15, 2021</td>
<td>Wednesday, June 23, 2021</td>
</tr>
<tr>
<td>Saturday, July 31, 2021</td>
<td>Thursday, July 8, 2021</td>
</tr>
<tr>
<td>Sunday, August 15, 2021</td>
<td>Friday, July 16, 2021</td>
</tr>
<tr>
<td>Tuesday, August 31, 2021</td>
<td>Monday, August 2, 2021</td>
</tr>
</tbody>
</table>

- Please **double** and **triple** check all combo codes on the summer form as this is the code that drives where Summer Pay will post in HCM. The combo code query (SC_PY_COMBO_CODES) is available in HCM to check your combo codes.

- Summer forms need to be submitted based on the schedule provided by HR, this follows the same schedule as all HR forms.
Helpful Tips - Payroll

• Payroll can always be removed from a USCSP award to non-sponsored funding, regardless of timeframe.
• Please pay attention to the pay group for the employee, as this is the determining factor on if an employee is paid on a lag vs. current.
• If an employee is rerouted so out of period payroll does not post to an award, an account change will need to be submitted to correct the employee’s payroll.
  – Account change needed emails are sent before every payroll.
• Retros are usually processed the day after receiving. If you do not see your retro processed within a week or two, please follow up with the retro mailbox.
Helpful Tips - Journal Entries

• Transfer accounts are prohibited in the USCSP Business Unit
  – GFM now does a review quarterly, and will do so monthly closer to year end. Any 8XXXX entries other than residual funds must be reversed.
Helpful Tips - Journal Entries

Journal Entries should be very limited on awards through the department

- Payroll must be done through a retro JE request, this cannot be done via JE
- Tuition must be moved through the tuition forms and cannot be done via a JE
- Lease payments must be done through the lease module, reach out to your PAA for further guidance
- These are sub systems and must reconcile to the GL or audit findings can result.
Helpful Tips - 3rd Party Cost Share

• 3rd party cost share is cost share reported to an agency but that is not our UofSC’s General Ledger.
  – Due to this, it requires a specific entry into the system, these entries are done by GFM
  – If an award contains 3rd party contributions, the backup must be similar to that of what would be required should we have paid for the services/items.
    • With this documentation the entry can be completed and the costs reported
Helpful Tips - Rebudget Requests

- Rebudget requests must be submitted in USCERA, using Post Award Action Request Tool
  - Please make sure funds are available before re-budgeting
Helpful Tips - Rebudget Requests

- USCERA does not accept decimals, please round your budget appropriately.
- A rebudget justification is required and should answer the following:
  1. Has there been a change in scope of work or deliverables?
  2. Is there a significant change in a project member’s effort or change in PI or key personnel?
  3. Are you adding or reducing any of the following categories that commonly require sponsor prior approval: equipment, participant support costs, other capital expenditures, subawards or contractors, travel.
  4. For each budget category changed, please explain why the funds are no longer needed in the original category and why they are necessary in the new category.
    - Reasons such as “revised budget to accommodate expenditures”, “budget category out of balance”, “money left over”, or “correct projected shortfall”, are not sufficient justification to re-budget funds.
Helpful Tips - Reporting

• **All** reporting must flow through GFM
  - GFM is the only authorized financial official on campus for USCSP
  - This protects potential missed expenses or issues with payment
  - Non financial reports that require financial data should still include GFM
Audit Impacts - SEFA

• Sub account codes 52076/52084
• Reopens are easily visible
• Award purpose codes in USCERA
  – NIH and NSF are always Research
  – Must be classified as accurately as possible
Helpful Tips

• Pay attention to the 90 and 30 day project ending notifications.
• Establish and use risk accounts to avoid parking charges and unnecessary cost transfers.
• Make sure you are reviewing payroll regularly.
• Allocate purchase card expenses appropriately in the beginning.
• Please ensure P-Cards do not default to grant projects.
• Be sure to watch your budgets and make sure to spend within budget categories.
• Charge the grant and cost share as it is incurred and within ratio.
Where to Find Resources

Grants and Funds Management
Grants and Funds Management is responsible for the accounting and management of all restricted grants and contracts within the university system.

Our Services
The Grants and Funds Management team:
- monitors grants and contracts
- prepares invoices
- prepares financial reporting in accordance with grant award documents and federal, state and local laws and regulations

Contact Grants and Funds Management
For questions about any Grants and Funds Management services, please contact us directly:
1600 Hampton Street, 6th floor
Columbia, SC 29208
Phone: 803-777-4850

Webinars and Training
- Post Award and Grant Closeout
- Uniform Guidance and Effort Reporting
- HCM Payroll Distribution Reporting Tool
- New Time and Effort Reporting System
Questions