Time and Effort Updates
Grants and Funds Management
Controller’s Office

July 20, 2021
Today’s Agenda

• Updates to PeopleSoft HCM – My Workplace
• Email Notification
• Print Options for Reports
• OVP – Overpayment ERN Code
• Cost Transfer Policy Update
• Retro Form Updates
• Resources
PeopleSoft HCM – My Workplace

My Workplace

Business Mgr T&E Report

Contract Pay

My Pending Approvals (eForms)

My Pending Approvals - Aging

My Submitted eForms - Aging

ePAF Homepage

Grant Time & Effort

Affiliate Actions Homepage

Benefits Enrollment Homepage

Student Initiator Reports

UNIVERSITY OF SOUTH CAROLINA
Business Mgr Grant Approvals
Actions – Update & View

- You can take action on forms using the drop down menu
- “Update Grant Form” – allows you to review **and** release the form
- “View Grant Report” – allows you to **only view** the form
  - Remember: View Only for reports in pending status will show you where the form is in the approval process (With the employee, PI(s), Supervisor)
Email Notification

You will now receive an automatic email notification from GFMeCert@mailbox.sc.edu notifying you that effort reports have been created and are ready for your review.
Report – Print Options

• You now have the option to print the Time and Effort reports with or without Comments displayed on the printout:
OVP – Overpayment ERN Code

• Starting 7/15/21, overpayments will be recorded using the ERN code OVP.
• This ERN code will not be included in Effort reporting and will ensure effort reports calculate percentages correctly.
• For the upcoming reporting cycle (Jan-Jun 2021) – overpayments will still be included and the comments section will need to be used to document (as applicable)
Regulations to Know

• Code of Federal Regulations – (2 CFR 200) establishes Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

• Electronic Code of Federal Regulations (eCFR)

• Agency Specific Guidance (NIH, HHS, NSF, etc.)

• Non-federal grants commonly place references to Uniform Guidance in their agreements, making them subject to the same rules.
Uniform Guidance

• **200.302 – Internal Controls**
  - Establish & maintain effective internal control over the federal award that provide reasonable assurance that the award is being managed in compliance with regulations
  - Expect charges to post correctly the **first** time!
  - Take prompt action when instances of noncompliance are identified

• **200.403 – Factors affecting allowability of costs**
  - Costs must be necessary & reasonable
  - Conform to any limitation or exclusions set forth
  - Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities
    - Example: bonuses or additional compensation
  - A cost cannot be assigned as a direct cost if is incorporated in our IDC (F&A) rate.
Uniform Guidance

- 2 CFR 200.451 specifically states:
  “Any excess of costs over income under any other award or contract of any nature is unallowable. This includes, but is not limited to, the non-Federal entity’s contributed portion by reason of cost-sharing agreements or any under-recoveries through negotiation of flat amounts for indirect (F&A) costs. Also, any excess of costs over authorized funding levels transferred from any award or contract to another award or contract is unallowable...”
Applicable Credits

- If you discover erroneous charges have been placed on a grant or award, the timeliness rule does not apply.
- **2 CFR 200.406** specifically states that the charge needs to be removed and credit applied as needed and as soon as its *identified*. 
Agency Specific Guidance
Example - HHS

- HHS Grants Policy Statement – Cost Transfers and Overruns:
  - “Cost transfers by recipients between grants, whether as a means to compensate for cost overruns or for other reasons, generally are unallowable; however, cost transfers by recipient may sometimes be necessary to correct bookkeeping or clerical errors...”
  - “Permissible cost transfers should be made promptly after the error occurs but NO later than 90 days following occurrence unless a longer period is approved in advance....” “The transfer must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charges. An explanation merely stating that the transfer was made “to correct error” or “to transfer to correct project” is not sufficient.”
  - Grants Policy Statement (hhs.gov)

90 Days after Occurrence = Date of Original Charge
Agency Specific Guidance
Example - NIH

• NIH Grants Policy Statement – 7.5: Cost Transfers, Overruns, and Accelerated and Delayed Expenditures
  – “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.
  – [NIH Grants Policy Statement]

• Parking charges or transferring overages are unallowable.
NSF Audit Overview

- UofSC claimed approximately $40.91 million in expenditures
  - On 234 NSF awards
  - Between March 1, 2016 and February 28, 2019.
- NSF judgmentally selected 262 transactions across 86 awards to test.
- NSF identified 49 transactions totaling $140,505 as unallowable on 21 awards.

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<th>Total NSF Selections</th>
<th>Number of Findings</th>
<th>Percentage Per FY</th>
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<td>FY16</td>
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<td>79</td>
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<td>58</td>
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<tr>
<td>Total</td>
<td>262</td>
<td>49</td>
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Categories of Findings

Findings were categorized into four main areas:

1. Purchases and Adjustments near or After award expiration
2. Inadequate documentation / Unsupported Transactions
3. Unallocable and Unreasonable Costs
4. Foreign Currency Conversion Errors
Purchases and Adjustments Near or After Award Expiration

- 21 transactions were identified across 8 awards totaling $93,738 (67% of the findings)
- Most of these were related to Cost Transfers
  - Example 1: $3,685 for the purchase of sensors and a drone. The items were originally purchased 10/26/2016 but were not cost transferred onto the grant award until 2/12/18, 15 months after the original purchase and 6 months after the award expiration of August 31, 2017.
  - Example 2: $3,219 for consumable lab supplies. The items were purchased on June 29 and July 21, 2016. These purchases were not cost transferred onto the NSF award until March 9, 2017, 9 days after the award expiration on February 28, 2017.
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

- Form can be found on the Controller’s Office website under Grants and Funds Management or selecting the below link:
  
  Cost Transfer Justification Form
Payroll Retro Funding Changes

New Form:

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

JUSTIFICATION/NOTES (Cost Transfer Justification Form must be completed and attached if a USCP project is part of the transaction):

PAYCHECK DATE:

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Old Form:

<table>
<thead>
<tr>
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<th>NAME: (Last, First, Middle)</th>
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<tr>
<td>EMPL RECORD:</td>
<td>HOME DEPT#:</td>
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<tr>
<td>DEPARTMENT NAME:</td>
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</tr>
</tbody>
</table>

JUSTIFICATION/NOTES:

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Form can be found on the homepage of the [Controller’s Office](http://www.controller-office.com) 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 (Cost Transfer Justification Form).

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.
Where to Find Resources

Office of the Controller

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

Grants and Contract Assignments
F&A Allocations
Information Links for Grants and Contracts

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

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
Questions