Purpose:

Establish a backup PeopleSoft Financials Department ID where unallowable costs or over-expenditures on sponsored projects will be transferred.

Source:

University policy.

Policy:

In an effort to improve the institution's fiscal compliance and management of grant extramural funding, this policy is enacted to provide a backup PeopleSoft Financials Department ID to be used for Office of Sponsored Projects (OSP) 90 day expenditure review and closeout purposes. This Department ID would be used to remove expenditures that are determined to be unallowable and/or exceed the budget limits of the sponsored award. This policy provides authority to OSP to use the backup account in the process of managing, closing and deactivating sponsored projects. Further it provides retroactive authority to use the Department ID for extramural accounts activated prior to this policy's formation. A backup Department ID is required as a part of the award activation process.

Process:

OSP has worked with the University Budget Office and the Comptroller's Office to establish a PeopleSoft Financials Department ID for each department with sponsored projects. These Department ID's will be set up in a newly created designated fund (2700 fund) and will serve as a suspense account during the fiscal year. At fiscal year end, the balance in this fund will need to be zero. The Budget Office will work with the OSP and the Provost Office to review the year end balances and move any balance in this fund to the appropriate Department ID.

During the active period of a project this PeopleSoft Financials department ID will be used in the event that projects incur any of the following: an unallowable expense per the sponsor's regulations, a project is over expended, or to remove costs incurred prior to or after the approved period of performance.

The 90 day close-out process will be the focal point in which OSP will notify the Principal Investigator (PI) / Project Manager that expenditure(s) need to be moved either by a cost transfer, or for payroll, an funding change needs to be processed to move employees to other funding sources. The PI/Project Manager will be provided with the deadline of moving the expenditure(s) no later than 30 days prior to the award end date. In the event that a project is over expended or

incurs an unallowable cost, prior to the 90 day close out process, OSP will notify the PI/Project Manager that the expenditure(s) need to be moved off the project within 30 days. If the PI/Project Manager does not comply within the stated timeframe then OSP will transfer the expenditure(s) to the listed backup PeopleSoft Financials Department ID. In both cases cited above, OSP will then notify the PI/Project Manager, Department Chair and Dean via email that the transfer and/or funding change has occurred and provide the financial/hr system document ID information.

This process will aid OSP with fiscal compliance monitoring, project closeout and deactivation of projects that have passed their End Dates. It is important that expired sponsored projects are closed and deactivated timely. This will assist in providing more accurate information in the financial system.

Backup Department ID FAQ's

1. Can I use the Backup Department ID for Pre-award costs while waiting for the new award to be activated?

   No, you will need to request an Advance Account through OSP for all pre-award spending.

2. Can I use the backup Department ID as a guarantee account for Advance Account Activations?

   No, you cannot use FUND 2700.

3. Can I transfer costs that were moved to the Department ID by OSP to another award?

   Depends, however NO is generally the case. Please contact your Post Award Administrator to assist you.

4. If OSP moves salaries onto the backup department ID, will OSP also be processing the Funding Form (formerly ePAR) to move the salaries off the backup department ID?

   No, it is up to the department to move the salaries via Funding Form (formerly ePAR) to the proper funding source.

5. When should I transfer the expenditures off the Backup Department ID?

   In keeping with OMB Uniform Guidance, all cost transfers on grants need to be done within 90 days of when the cost incurred. Quarterly review and transfers are strongly recommended. However all backup department id's MUST to be cleared out by fiscal year end.