

Sponsored Projects Accounting News

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June 23, 2008



Please contact us with comments, suggestions, or questions concerning this newsletter at spa@utk.edu

FISCAL YEAR END EDITION

Schedule of Activities - Year End June 30, 2008

- June 25 -As soon as monthly payroll posts, run interim F&A and settlement
-FY2009 will be opened for purchasing and financial transactions
- June 27 -Deadline for departmental procurement card purchases
- June 30 -June monthly payroll paid
- July 1 -Interim Treasurer's Report and ledgers may be printed
-26th bi-weekly payroll paid
- July 3 -Deadline for cash receipts to be parked by departments and received in Bursar's Office
-Run extra payroll to include June ECRs and STVs-Final FY2008 payroll posting
- July 7 -Deadline for all disbursement vouchers, T27s and transfer vouchers to be included in FY 2008 to be received in Treasurer's Office
- July 10 -Deadline for distribution of charges on procurement card system
- July 14 -Parked FY 2008 documents deleted
- July 15 -Final payroll accrual for June 23-30, including longevity
- July 17 -Close June accounting period (period 12)
- July 18 -June 29 (period 12) Treasurer's Report and ledgers may be printed
- August 15 -Final close for FY 2008

Training

Opportunities

- July 17, 2008, OMB Circulars and Cost Accounting Standards, 1:30-4:30, Gail White
- Sept. 11, 2008, Understanding F&A Costs, 1:30-4:30, Gail White
- Contact Alice Bradley for further Sponsored Projects training opportunities
abradle4@utk.edu



Did you know?

Are you using G/L Code 444400 correctly? The UT General Ledger Expense definition states G/L Code 444400 is to be used for "all costs incurred in meeting the **direct cost-sharing** requirement of grants or contracts". It is also proper to use for Voluntary Uncommitted cost share such as award or project overruns (to remove overruns from the account). If G/L Code 444400 is used to move applicable salary or other expenses on a sponsored project for the sake of convenience, the entry will be reversed by SPA. Any necessary transfers must be made using **the original g/l code**.



Sponsored Projects Accounts - Close-Out

To assure a timely and accurate closeout, there should be a **monthly** reconciliation of the ledger as follows: 1. Principal Investigator (PI) reviews official University ledger (s) for appropriateness of expenditures. 2. Review of encumbrances and funds reservations on WBS element clearing any as needed. 3. If there is cost share on a project, verify that cost sharing is posting to the cost share WBS element for the project.

Close-out

1. An email notification that the award is ending in 30-60 days is sent to the PI and book-keeper.
2. If you are aware that the project will continue, but will be issued a new award number (hence requiring a new WBS element), begin process for submitting an *Advanced WBS Element Request* (available on Sponsored Projects Accounting (SPA) website).
3. Process appropriate pay funding changes to move personnel from the closing WBS element.
4. Promptly transfer all **inapplicable** operating expenses **from** WBS element (per UT fiscal policy, cost transfers must be made within **60 days** of the end of the grant or contract).
5. All applicable charges, including salaries, must be posted within **60 days** after the grant or contract end date to ensure the timely submission of final financial reports.
6. Notify internal service centers of account WBS element changes for future costs such as printing, telephone, and postage.
7. Sponsored Projects Accounting (SPA) accountant sends *Schedule of Final Charges (SFC)* form the month following the award expiration. **If project is not ending, contact SPA accountant of extension by sponsor.** Although all extensions are first processed by Office of Research, the SPA accountant needs to be contacted to ensure a smooth administration of your award.
8. If project is ending, complete SFC indicating specific line item charges, document numbers, and amounts. Provide back-up where requested. Refer to directions for SFC and/or call accountant with any questions. It is important that the authorized person (PI or Department Head) review and sign the form before returning. **It is the department's job to ensure that the activity as stated on the SFC occurs.** This is the document used for the **final invoice and/ or financial report.** The SFC is kept on file to support award expenditures. **NOTE:** A final review of the official University ledger (s) for appropriateness of expenditures should be done in conjunction with the completion of the SFC. **Upon submission by SPA of the final financial statement, no changes will be made to the award unless it results in a refund of money to the sponsor.**
9. If relevant, verify that UT cost sharing and/or 3rd party match obligation has been met. The PI is responsible for obtaining official documentation from all 3rd party in-kind match and forwarding to SPA. (See Fiscal Policy FIO210 Cost Share).
10. Work with SPA accountant to cost share overruns or return unused funds to sponsor and request account be put in "CIP" (Closing in Process) status.

What are Salary Accruals?



A salary accrual is a **year-end** entry UT uses to recognize the expense of a person's salary in the fiscal year that it is earned rather than the fiscal year that it is paid. Specifically, salary accrual entries will be made in June by the Controller's Office to recognize salary **earned** in FY2008, but not paid until July (FY2009). In that way, the expense is included in the correct fiscal year. The salary accrual entry is then reversed in the month of July to remove it.

There are two types of salary accrual entries made to sponsored projects at year end 1. Bi-weekly employees 2. Nine month employees (employees that work 9 months, but are **paid over 12 months**).

For bi-weekly employees, there is an accrual entry made for the final days worked in June (FY2008), but paid in July (FY2009). Nine month employees **earn** their salary August through April, but their pay is divided over 12 months. The salary accrual entry is for the pay **received** in July (FY2009) that was earned during FY2008.

Does Your State of Tennessee Award Need to be Re-budgeted?



If you are familiar with State of Tennessee awards, then you know that most require strict adherence to the line item budget that is agreed upon in the proposal. In fact, in many cases, SPA **cannot invoice** for expenses that do not follow the line item budget. To get items invoiced that are out of the line item budget, you **must submit** a budget revision. If your State of Tennessee award needs to be re-budgeted for final invoicing, please contact **Cathy Parks (cparks7@utk.edu)** in the Office of Research ASAP.

If you have any questions concerning this, please contact **Susan Joiner (sjoiner1@utk.edu)** SPA accountant for all **State of Tennessee** awards, or Mayet Davenport (mdavenport1@utk.edu).

We Need Your Input!



A committee has been formed to address the needs of principal investigators (PIs) in understanding IRIS financial reports for their grants and contracts. Many of you have supplemental worksheets that you provide to faculty to help them understand the financial activity on their sponsored projects. We are asking you to help us by completing a brief questionnaire that is posted on the SPA website. Your input will be invaluable to the committee. If you have summer faculty that would like to provide input, please share this information with them. There are instructions for anonymous submission of the questionnaire if preferred. Please see the Sponsored Projects Accounting website information listed below to access our website and the questionnaire. **THANK YOU FOR YOUR HELP!**

Please visit the **Sponsored Projects Accounting website** for forms and documents, links to important websites, and contact information for your Sponsored Projects. (<http://web.utk.edu/~spa/index.html>.)