Grant Compliance

Office of
Cost Analysis & Compliance
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- Risk Areas:
  - Effort Reporting
  - Cost Transfers
  - Effort Commitments
  - Cost Sharing
  - Record Retention
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- Effort Reporting
  - Accounting for all institutional activities
  - Charging payroll based on reasonable estimates
  - Using Appropriate Certifiers
  - Actual Effort vs. Budgeted Salary
  - Timely Certification
  - Record Retention
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- Cost Transfers
  - Limit Frequency
  - Document How & Why Error Occurred
  - Why Costs are Necessary for Project?
  - Correcting Common Errors
  - Suitable Backup Documentation
  - Involve the Principal Investigator
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- Effort Commitments
  - Managing Committed Effort
  - Basis for Effort Percentage is Reasonable
  - Considers All Activities
  - Is Validated Against Actual Effort
  - OMB Circular A-110 is Followed for Reductions in Effort
  - Commitments are Reconciled with Actual Effort Certification
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- Cost Sharing
  - Is Verifiable in Records
  - Not Spending the Same Dollars Twice!
  - Necessary for Completion of Project
  - Conform to Allowable Costing Standards
  - Not Paid by Another Award
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- Record Retention
  - Determine Requirements for Your Awards
  - Understand Institution’s Policy
  - Scope of Documents Necessary to Retain
  - Records Needed to Create Proper Audit Trail
  - Organizing Award Files
  - Accessing Records When Needed

November 12, 2007
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and now…

9 Steps to Implementing Change!

…even if your Department does not have a formal procedure on the subject
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9 Steps to Implementing Change!

1) Establish Rules for Proper Certifiers in Your Department!
   - Named Employee, PI, Supervisor, or Another University Official Using Suitable Means to Verify the Work Was Performed;
   - Enforcement—Refuse to Certify Effort if you are not the appropriate person and do not have suitable means to verify actual effort!
   - Use Temple’s Grant Accounting Policy on Effort Reporting.
     http://www.temple.edu/controller/grant_accounting/pol_proc/pdf/grpl05.pdf
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2) Update All Employees’ Payroll Distributions in Your Department!
   - Complete an “EDF” Expense Distribution Form as soon as you are aware that a change needs to be made
   - Reconcile Current Distribution with Proposal Budgets;
   - Verify those Percentages with the likely certifier (PI or Research Project Manager)
9 Steps to Implementing Change!

3) Get a Handle of Your Award’s Financial Reports to Fix Errors Promptly!
   - Look for potential deficits;
   - Analyze object codes for potentially unallowable costs;
   - Make sure all project employees are paid on the award;
   - Test whether F&A rate is being charged correctly (test MTDC modifiers)
   - Familiarize your self with Temple’s Grant Accounting Policy on F & A rate also know as direct and indirect cost.
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9 Steps to Implementing Change!


- Support All Costs with Proper Documentation;
- Obtain PI Approval for All Transactions;
- Log Allocability & Rationale if not Apparent;
- Keep Justifications not already in Budget Justification;
- Document Emails to Authorize Transactions in Potentially Gray Areas
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9 Steps to Implementing Change!

5) First Impressions are long lasting—Eliminate Cost Transfers!
   - Look for Systemic Problems;
   - Establish Stricter Controls in Your Department;
   - Allocate Costs on the Front-End and save the Cost Transfers for Mistakes
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9 Steps to Implementing Change!

6) Organize Your Award Files
   - Know Your Sponsors’ Record Retention Requirements;
   - Learn Your Institution’s Record Retention Policy;
   - Know your Grant Analysis
   - Reconcile Both and Follow the Stricter Standard;
   - Keep All Documents that Properly Tell the Story of the Transaction
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9 Steps to Implementing Change!

7) Rely on Your Own Information—Create a Shadow System
   - Use MS Excel, MS Access, Quicken, MS Money, QuickBooks, Peachtree, or a Marble Notebook;
   - Don’t Let Unknown Transactions Spoil Your Closeout;
   - Be in a Better Position to Manage the Award Finances
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8) Arm Yourself with the Right Answer by Eliminating Word-of-Mouth Advice—Look it up Yourself!
   - Sponsor’s Regulations;
   - Terms and Conditions of the Award Document;
   - Institution’s Policies and Procedures
   - Interpretations from Colleagues at Other Institutions
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9 Steps to Implementing Change!

9) Keep Developing Your Research Administration Skills

- Take Advantage of All Professional Development Opportunities;
- Stay Connected through List-Servs, Newsletters, Publications, and Professional Contacts;
- Ask for Support for your Initiatives from your Supervisor, Chairperson or Dean!
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Communicating Changes

- Balancing Department Needs with Compliance Best Practices;
- Providing Solid Guidance to Faculty will yield Better Cooperation;
- Have Good Intentions, Be Confident, Act Appropriately, and You Will Succeed!!!
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FYI!!!!!!

- We are currently in the 1st Quarter of Effort Certification.
- The Office of Cost Analysis & Compliance has implementing a new Effort Reporting System, know as ERS. This system went live October 5, 2007.
- For Training sessions, please log onto the human resources website, https://atlas.ocis.temple.edu/hr/main.asp?
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Q & A

Thank You!
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