

# Financial Monitoring and Reporting

# Agenda

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1. Financial Considerations
2. Financial Monitoring
3. Financial Reconciling and Reporting
4. Roles and Responsibilities
5. Website Resources

# Financial Considerations

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- **Attributes of Acceptable Costs**
  - Reasonable
  - Allowable
  - Allocable
  - Consistent
- **Unacceptable Costing Practices**
  - Rotating charges among sponsored projects without establishing the relative benefit to each grant.
  - Assigning charges based on largest remaining balance.
  - Assigning charges based on budget rather than actual usage.
  - Misclassifying expenditures.
  - Charging for costs not benefiting project.
- **Cost Accounting Standards (CAS) Exceptions** (Federal Awards)
  - All attributes of acceptable costs.
  - Unlike circumstances.
- **[Retroactive Cost Transfers](#)** (90 day rule)\*
- **[Effort Reporting](#)**
- **[Cost Sharing](#)**

\*Refer to: [Instructions for Submitting Payroll Expenditure Transfers \(RETs\)](#) and [Instructions for Submitting Non-Payroll Expenditure Transfers](#)

# Financial Monitoring

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## Payroll Distribution

- Ensure GEMS combination codes are established for project distributions.
- Process payroll distribution/Remaining Spending Authority (RSA) Checks in a timely manner.
  - Reduces [retroactive expenditure transfers](#).
  - Reduces work load and audit risk.
  - Ensures accuracy of reporting.

## Purchasing/Purchase Orders (POs)

- Complete and submit FAST Workflow Request forms.
- Process POs for qualifying transactions prior to purchase.
  - Ensures accuracy of reporting (encumbers funds).
  - Streamlines payment process.
- Receive goods IMMEDIATELY in FAST.
  - Enables expedited matching.
- Approve for payment and quickly forward invoices to Accounts Payable.
  - Expedites payment to vendor.
- Close POs when purchases are concluded (if residual exists).
  - Ensures accuracy of reporting (un-encumbers funds).
  - Streamlines award closeout process.

## Purchasing/Purchasing Cards (Pcards)

- Reconcile Pcard charges as soon as possible.
  - Ensures accuracy of reporting (expends funds).

# Financial Monitoring (cont.)

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## Equipment

- Process equipment purchases as soon as appropriate.
  - Equipment purchases are generally not allowable at end of award.
  - Know your budget – F&A bearing vs. non-F&A bearing.

## Subcontracts

- Know your subcontracts (payment terms/documentation requirements).
  - Streamlines payment process.
  - Ensures validity of expenditures.

## Travel Expenditures

- Process Travel Authorization reports (TARs) for all travel.
  - Streamlines payment process.
  - Ensures accuracy of reporting (encumbers funds).
- Process Travel Expense Reports (TERs) immediately upon return.
  - Shortens payment timeline, if applicable.
  - Ensures accuracy of reporting (expends funds).

## Tuition Payments

- Process [Grant Tuition Payment Requests](#) in a timely manner.

## [Human Study Subject](#) & [Participant](#) Payments

- Process payments in a timely manner.

# Financial Reconciling and Reporting

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- Know your sponsored award.
  - Cost sharing.
  - Deliverables (task based payments).
  - Start dates/end dates.
  - Subprojects.
  - IRB approval end dates
- Monitor “burn rate.”
  - Accelerated spending.
  - Delayed spending.
- Retain copies of supporting documentation for all expenditures.
- Review payroll registers to be sure personnel charges are correct.
- “Tic & tie” supporting documentation to monthly detail expenditure ledgers.
  - Immediately following monthly closing.
  - Keep track of pending items (outstanding commitments).
- Reconcile monthly and print reconciliation package.
  - Expense tracking sheet/Rapid Reconciliation Tool.
  - RSA Summary report (Finance Mart).
  - Expense Details (Finance Mart)
- Review and approve final sponsor financial reporting.
  - Notify RFM to include any pending items.
- Close projects on a timely basis ([CCHIP 011](#)).

# Roles and Responsibilities – Principle Investigator (PI)

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- The Principal Investigator is responsible and accountable for managing the budget on his or her grant or contract. The role of the Principal Investigator as primary Accountable Officer cannot be delegated.
- Manage expenditures and activity in accordance with the approved budget and sponsor identified regulations and policies related to budgetary and fiscal matters.
- Initiate purchases, determine the allowability and reasonableness of all expenditures, approve purchases, and provide justification for transactions in the use of the State of Florida Pcard and/or submission of purchase requisitions to USF Purchasing.
- Obtain additional sponsor approval for expenditures, when required.
- Provide required documentation for travel reimbursement and confirm the appropriateness and allowability of the travel.
- Initiate the process of documenting cost sharing and/or matching.
- Initiate requests for rebudgeting per sponsor requirements and work with DSR to review the award document to determine if prior approval by the sponsor is required.
- Initiate expenditure transfers and correcting entries in a timely manner to ensure correction within 90 days; manage the project to minimize the need for such transactions.

# Roles and Responsibilities – Principle Investigator (PI) continued.

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- Identify and resolve unallowable charges including over-expenditures within 30 days of project end date.
- Approve payments of subcontractor invoices.
- Review monthly financial reports and ledgers to monitor encumbrances and expenditures, and initiate budget transfer requests as appropriate.
- Notify the Division of Sponsored Research of the need to initiate a no-cost extension in advance of financial report submission in accordance with University and sponsoring agency requirements.
- Collaborate with the Division of Sponsored Research (DSR) and Research Financial Management (RFM) and/or the USF Research Foundation, as appropriate, before the end of the budget period, to handle remaining balances and/or adjustments.
- Prepare the final programmatic (technical) narrative report and adhere to sponsor deadlines.
- Review and approve the final financial report provided by Research Financial Management (RFM) and/or the USF Research Foundation, as appropriate.
- Provide information on other closing reports, such as for patents and equipment, as required by the sponsor.
- Retain the scientific data garnered from the research project.

Refer to: <http://www3.research.usf.edu/dsr/desk-manual/docs/Research-Roles-Responsibilities.pdf>

# Roles and Responsibilities – Administrative Staff (DRAs)

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- Attend education and training programs to become knowledgeable about USF and Sponsor policies and procedures for appropriate budget management.
- Provide monthly financial reports to Principal Investigators and assist in monitoring encumbrances and expenditures.
- Gather information on the conduct of subcontracts and notify the Division of Sponsored Research (DSR) of their progress and of any problems that may have arisen.
- Coordinate recruitment efforts and personnel appointments of individuals hired for the project.
- Expedite the documentation of cost sharing and/or matching/in-kind (Project budgets will not be established in FAST without cost share sources).
- Prepare documents and provide information to the Division of Sponsored Research (DSR) for rebudgeting, as appropriate.



# Roles and Responsibilities – Administrative Staff (DRAs) Continued

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- Provide information to Research Financial Management (RFM) to resolve over-expenditures.
- Provide information to Research Financial Management (RFM) for the financial reports (i.e. pending items).
- Prepare documents for submission to Research Financial Management (RFM) to initiate expenditure transfers.
- Prepare documents and providing information for internal and external purchasing.
- Obtain approval from Division of Sponsored Research (DSR) for certain expenditures when required.
- Process receipt of goods according to USF policy and Florida Statute for prompt vendor payment (within five days of receipt of goods and services).
- Provide information to Research Financial Management (RFM), if needed, for the final financial report.

# Roles and Responsibilities – Division of Sponsored Research (DSR)

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- Verify that items in the budget are allowable and aligned with the grant or contract purpose, conditions, and criteria.
- Verify that matching or cost sharing is listed in the budget, if so noted on the Internal Form and is approved by respective accountable officers.
- Provide guidance on justifying items in the proposal budget.
- Communicate required indirect cost rates and other standard proposal information.
- Identify sources of cost sharing with award documentation, when possible.
- Approve carry forward requests, if necessary.
- Assist in resolving payment problems with late or non-payment by funding agencies, in conjunction with Research Financial Management (RFM).
- Review and provide guidance for completion of closeout reports, such as for patents and equipment.
- Assist Research Financial Management (RFM) with post-award reports and audits.



# Roles and Responsibilities – Research Financial Management (RFM)

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- Establish the project account in the financial system.
- Notify the Principal Investigator of institutional requirements and of transactions that can be posted against the account.
- Prepare and submit invoices and financial reports to the sponsor.
- Provide account information to Principal Investigators, Unit Heads/Chairs, and Deans upon request.
- Approve expenditure transfer requests.
- Prepare the final financial report, forward to the Principal Investigator, and deliver to the sponsor.
- Initiate late payment procedures, assist units in identifying uncollectible costs, and remove these costs from the account in accordance with USF write-off practices.
- Coordinate audits.
- Maintain record retention program for sponsored programs.



# Website Resources

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- **University Controllers Office**

- <http://usfweb.usf.edu/controller/>

- Cashiers Office/Accounts Payable/Travel
    - General Accounting/Tax Advisory/Reporting

- **Research Financial Management**

- <http://usfweb2.usf.edu/uco/research/>

- Who's my Grant Financial Administrator
    - Clarification or Change in Procedure (CCHIP)
    - USF Effort Reporting (Federal and Cost Share)
    - Rosetta Stone (Budget/Expense Code Crosswalk)

- **Division of Sponsored Research**

- <http://www3.research.usf.edu/dsr/sponsored-research.asp>

- Policies and Procedures

# Congratulations

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**You have completed this module!**

