

Wake Forest University Financial Services: Grants Accounting and Compliance

1 WFU Policies and Procedures

a Policies

b Fiscal Administration

i Award Notification

1 The Office of Research and Sponsored Programs is notified by the granting agency when an award is received. The staff in the Office of Research and Sponsored Programs will review all award documents in order to ensure that they are in compliance with University Policy and with the terms agreed on in the proposal document. Once the award document passes their screening process, it will be forwarded to Grants Accounting and Compliance.

ii Assignment of Grant Fund Number

1 When Grants Accounting and Compliance receives the award document from the Office of Research and Sponsored Programs, they will set up the associated grant fund number (RGxxxx) and the budget for the grant. The Principal Investigator will receive notice of his or her grant's fund number in writing, and will be asked to sign and return a document recording the authorized signature(s) for the grant. Financial Research Administration Services will not assign a grant fund number until it is officially requested by the Office of Research and Sponsored Programs.

iii Payment of Expenditure

1 To request payment of an expenditure on a grant, the Principal Investigator should send the following to Grants Accounting and Compliance: (1) the original invoice stapled to a purchase order (if available), and (2) a copy of the invoice. The Principal Investigator should review and approve all invoices and indicate the fund and account number from which the expenditure should be paid. Either the Principal Investigator or another person(s) he or she has designated as authorized to approve expenditures on the grant must sign each invoice. For purchases routed through Deacon Depot, the purchase approval is routed to the Principal Investigator and business manager for approval. After this level of approval, the purchase is routed to Grants Accounting and Compliance for the final approval of the purchase.

2 For equipment costing over \$5,000, bidding procedures or sole source documentation must be sent to Procurement Services (OMB Circular A-110 requirement for all federal grants). Assets costing over \$5,000 with a useful life of over one-year are considered fixed assets under the University's \$5,000 capitalization threshold. For additional information on the policy

see (link to Fixed Assets Section). Financial and Accounting Services reserves the right to withhold payment to the vendor until all proper documentation is received. Procurement Services can assist the Principal Investigator with proper bidding procedure (see Purchasing section below).

- 3** Grants Accounting and Compliance will review all invoices charged to a grant in order to determine allowability of costs within funding guidelines, as well as to verify that sufficient funds are available and that budget per line item is maintained. However, it is the responsibility of the Principal Investigator to ensure that purchases are allowable within the grant guidelines. Grants Accounting and Compliance also reviews invoices on federal grants to ensure compliance with cost allowability principles found in OMB Circular A-21. Items which are not allowable include, but are not limited to:

- a** Entertainment (includes personal recreation, movies, snacks)
- b** Alcoholic Beverages
- c** Promotional Items
- d** Advertising
- e** Club Dues
- f** Legal Fees

- 4** Questions concerning allowability of costs should be directed to Grants Accounting and Compliance. No expenditure payment will be approved prior to notification of funding approval by the agency or program. Grant fund numbers are established once the award documentation is received by the University as discussed in the "Assignment of a Grant Fund Number" above.

iv Travel Reimbursements

- 1** All requests for travel reimbursements are subject to the University's Travel, Meals and Entertainment Policy (link). The rate for reimbursement for mileage can be found in the University's AP Policy, under the Mileage and Gas Reimbursements subsection (link to AP site). (Mileage is not paid for rental or courtesy cars; however, gasoline costs will be reimbursed with appropriate documentation). Documentation requirements can be found within the University's AP Policy (link). Documentation is required for all lodging costs and any other travel expense of \$50 or more. Documentation should consist of itemized receipts or itemized bills. A cancelled check alone is not sufficient; it should be accompanied by an itemized bill from the payee.

v Financial Reports

- 1 Budget reports consisting of summary and transaction detail of income and expense accounts on each grant are available through Cognos on a real-time basis. The Principal Investigator should review these reports in a timely manner. If the Principal Investigator has any questions or concerns in regard to his/her budget report, he or she should contact Grants Accounting and Compliance as soon as possible in order to resolve any differences. The release of budget reports on a monthly basis is effective in communicating timely information on the financial status of funds.
 - 2 All grant revenues and expenditures are recorded in the individual grant's RG-fund number (RGxxxx). Indirect return on a grant is recorded in a grant's D-fund (Dxxxxx).
 - 3 Specific Cognos reports include:
 - a Summary Grant Report (RG-funds)
 - b Transactional Detail Report (RG & D-funds)
 - c Summary – Endowed, Designated, Restricted Contributions, Center Grants, Start Ups & Student Loans (D-funds)
 - 4 Link to reporting page
- vi Reports to Granting Agencies
- 1 Technical or narrative reports required by a granting agency are the responsibility of the Principal Investigator, and should be completed in accordance with the funding agency's deadline. Financial reports required by a granting agency, including the final closeout report, are the responsibility of Grants Accounting and Compliance in coordination with the Principal Investigator. Please contact Grants Accounting and Compliance prior to submitting any financial status reports. Any unobligated balance on a federal grant will be returned to the federal agency, unless the agency has authorized that the remainder can be retained for further use by the Principal Investigator.
- vii Subrecipient Contracts
- 1 If Wake Forest University serves as the primary recipient of a funded grant, and the proposal requires a subrecipient arrangement, the Principal Investigator should contact the Office of Research and Sponsored Programs and Grants Accounting and Compliance in order to ensure that the agreement meets applicable federal requirements. Current legislation requires recipients to determine whether subrecipients have met the applicable federal requirements. Requirements include, but are not limited to:
 - a OMB Circular A-133 audit submitted to Wake Forest University

- b** Corrective action plan in instances of noncompliance with federal regulations
- c** Access to financial records by independent auditors
- d** See details of federal subrecipient monitoring requirements as stated in OMB Circular A-133 Compliance Supplement: *Section M: Subrecipient Monitoring* (http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2012)

viii Rebudgeting Procedures

- 1** Rebudgeting, which is a transfer of funds between budget lines, must be reviewed and approved internally by the Office of Research and Sponsored Programs and Grants Accounting and Compliance. Rebudgeting may occur in relation to the following circumstances:
 - a** Salary increases for senior personnel are requested beyond the authorized level in the award document
 - b** Personnel lines are decreased, causing a subsequent decrease in indirect cost recovery
 - c** New line items are requested
 - d** New or different equipment items are requested that were not cited in the proposal, even if sufficient funds in the budget exist
 - e** Personnel lines are altered so as to affect the time on the grant of the principal investigator or other senior personnel
 - f** Excessive travel beyond the original scope of the grant is requested
- 2** For additional information in regard to rebudgeting procedures, please contact Grants Accounting and Compliance (contacts below). A sample of the rebudgeting approval form can be found in the “Forms” section.

ix Hiring New Personnel

- 1** Wake Forest University is an equal opportunity employer; all educational and employment activities are administered without discrimination because of race, color, religion, national origin, age, or sex (except where exempt) in accordance with all local, state, national laws, executive orders, regulations and guidelines.
- 2** If new persons are to be hired to work on a grant, the Principal Investigator must contact Human Resources. Proper job postings are required in accordance with University Policy and in response to EEOC legislation. No persons will be hired until the grant has been formally awarded. The Principal Investigator should send a letter to Human Resources and to Grants Accounting and Compliance specifying the position title, rate of pay, and duration of employment for new personnel.

- 3 Persons hired to work on a grant should be added to the University's payroll with proper forms required by the IRS (W-4) and the State (NC-4 and I-9). Human Resources can help to determine the appropriate payroll for the employee. Payroll can assist with any employee time-related issues (link).

x Purchasing

- 1 When purchasing items of equipment over \$5,000 on either a federal or non-federal grant, Principal Investigators need to provide written bidding or sole source documentation to the Procurement Services. Purchasing documentation will help to ensure that the acquisition of goods and services are done in a competitive, fair and timely manner. Principal Investigators should contact Procurement Services as early as possible in order to coordinate proper bidding procedures and documentation. Sole source documentation may be acceptable if technology needed cannot be found elsewhere; Procurement Services can be helpful by endorsing a sole source purchase when appropriate. All equipment purchases must remain within the grant allowability and budget guidelines.
- 2 Specific purchasing requirements vary by federal agency, and agency guidelines should be reviewed by the Principal Investigator prior to acquisition of equipment. All proposed sole source bids on federal grants in which the aggregate expenditure is expected to exceed \$5,000 is subject to prior approval of the sponsoring agency.
- 3 Procurement Services serves the University in a support capacity by offering assistance with vendor relations. Proper purchasing methods will help to ensure that the acquisition of goods and services are done in a competitive, fair, and timely manner. The Principal Investigator should not participate in the selection, award, or administration of a purchase agreement where he/she or his/her immediate family has a financial interest. All procurement transactions should be to the maximum extent practical, open and free competition.
- 4 For additional information on purchasing, _____

xi Property Management

- 1 The Financial and Accounting Services performs an inventory of all tagged University assets to ensure that every asset is inventoried every two years. All equipment purchased with grant funds and costing over \$5,000 per unit is labeled with a WFU identification tag. Location of the equipment is also recorded. The Principal Investigator and the Departmental Property Administrators are responsible for recording the location of the equipment, documenting any movement of the asset(s), and for

proper maintenance of the equipment. See additional Departmental Property Administrator information at (link to DPA information).

- 2 Prior to purchasing equipment, the principal investigator is required to certify on the proposal routing sheet (which originates in the Office of Research and Sponsored Programs) that the equipment to be purchased is not a duplication of current equipment available. For assistance with determining available equipment, please contact the Office of Research and Sponsored Programs or Grants Accounting and Compliance.
- 3 For additional information on property management, see link _____ to fixed assets.

xii Cognizant Agency

- 1 The cognizant agency for the University is the Department of Health and Human Services (DHHS). The cognizant agency is responsible for ensuring that audits are received and that reports are made in a timely fashion and in accordance to the relevant circular requirements. The cognizant agency provides technical advice, makes quality control reviews of selected audits, coordinates audit reviews, and oversees the resolution of audit findings.

2 Federal Regulations

- a OMB Circular A-21
 - i Establishes principles for determining costs applicable to grants, contracts and other agreements with educational institutions.
 - ii Link: http://www.whitehouse.gov/omb/circulars_a021_2004
- b OMB Circular A-110
 - i Uniform administrative requirements for Federal grants and agreements awarded to institutions of higher education.
 - ii Link: http://www.whitehouse.gov/omb/circulars_a110
- c OMB Circular A-133
 - i Standards for obtaining consistency and uniformity among Federal agencies for the audit of non-Federal agencies expending Federal awards.
 - ii Link: http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf
- d OMB Circular A-133 Compliance Supplement
 - i Identifies compliance requirements that the Federal Government expects to be considered as part of an audit.
 - ii http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2011
- e Federal agency links

- i NIH - <http://www.nih.gov/>
- ii NSF - <http://www.nsf.gov/>

3 Rates and Facts

- a General
 - i Federal ID#: 56-0532138
 - ii DUNS#: 041418799
- b Fringe Rates
 - i Federal
 - 1 Full-time with benefits, 25.0%
 - 2 Part-time with benefits, 15.0%
 - 3 Part-time without benefits, 10.0%
 - ii Non-federal
 - 1 Full-time with benefits, 27.4%
 - 2 Part-time with benefits, 17.4%
 - 3 Part-time without benefits, 10.0%
- c F&A rates and historical (Table format for site)
 - i Fiscal year / On-campus rate / Off-campus rate / Base
 - 1. 2014, 44.0%, 23.0%, (modified total direct costs)
 - 2. 2013, 41.0%, 21.0%, (modified total direct costs)
 - 3. 2012, 41.0%, 21.0%, (modified total direct costs)
 - 4. 2011, 41.0%, 21.0%, (modified total direct costs)
 - 5. 2010, 56.0%, 26.0%, (salaries and wages)
 - 6. 2009, 56.0%, 26.0%, (salaries and wages)

4 Forms

- a Rebudgeting form, link
- b Journal Entry form, link
- c Fiscal Administration form, link
- d Summer Salary form, link

5 Roles and Responsibilities

- a Grants Accounting and Compliance
 - i General information
 - 1 Post-award compliance
 - 2 Financial reports
 - 3 Billing on grants
 - 4 Allowability of costs on grants
 - 5 General Ledger maintenance on grants
 - 6 Grant close-out reporting
 - ii Contacts
 - 1. General
 - a grantsaccounting@lists.wfu.edu
 - 2. Specific
 - a Debbie Hellmann, *Manager of Grants Accounting and Compliance*, x5187
 - b Michelle Stanley, *Grants Accountant*, x2524
- b Office of Research and Sponsored Programs (ORSP)

- i General information
 - 1 Applying for grants
 - 2 Assistance with proposals
 - 3 Identification of available funding
 - 4 Effort reporting
 - 5 Proposal editing
 - ii Link to ORSP
 - c Human Resources
 - i General information
 - 1 New hire paperwork
 - ii Link to Human Resources
 - d Payroll
 - i General information
 - 1 Employee time related information (Novatime)
 - 2 Payment of salaries and wages
 - ii Link to Payroll
 - e Accounts Payable
 - i General information
 - 1 Processing and disbursement of payments to vendors
 - 2 P-card information
 - 3 Supporting documentation for purchases
 - 4 Travel
 - ii Link to Accounts Payable
 - f Procurement Services
 - i General information
 - 1 Bidding
 - 2 Deacon Depot
 - 3 Purchases over \$2,500
 - ii Link to Procurement Services
 - g Reporting
 - i General information
 - 1 For questions regarding running Cognos reports, send an email to reporting@lists.wfu.edu
 - ii Link to Reporting
- 6 Audit**
 - a Annual Audit Requirement
 - i Wake Forest University is subject to an annual OMB Circular A-133 audit, as a non-federal or state entity that expends greater than \$500,000 a year in federal and state awards. The annual A-133 audit is performed by an independent external accounting firm. The audit is intended ascertain that the University has maintained effective internal control over the management of its federal and state awards in compliance with laws, regulations, and the provisions of contracts or grant agreements. The

audit also tests the integrity of financial transactions and reporting associated with federal and state awards.

- b** A-133 reports
 - i** 2012
 - ii** 2011
 - iii** 2010
 - iv** 2009
- c** Internal audit
 - i** The University's internal audit department periodically performs audits over the University's grants in order to ensure proper internal controls and compliance with grant award documents.
 - ii** Fraud Hotline link

7 Training

- a** Slides from past presentation
 - i** Insert Spring 2012 presentation slides

8 Frequently Asked Questions

- a** I just received notification that my grant application has been approved. How do I get an account number?
 - i** First, be sure that the Office of Research and Sponsored Programs has copies of all official award documentation. They will review the award documents to ensure that all needed documentation has been received. After their review, the award notification will be forwarded to Grants Accounting and Compliance, along with an official request that a new grant fund number to be established. Once Grants Accounting and Compliance sets up the grant fund number, usually within 24 hours, you will receive written notification of your number and budget amount.
- b** I need to hire someone to work (or pay a bill) on my grant. What do I need to do?
 - i** The process for hiring people, paying bills, etc. is basically the same for a grant as for any other University fund. Wake Forest University policy must be followed, in addition to any restrictions placed by the granting agency (see your award document). For more detailed information, please check Payroll (link) and Accounts Payable (link), or contact Grants Accounting and Compliance.
- c** I've heard that I will get some money back from the indirect costs generated by my grant. How and when does this happen?
 - i** If your grant is budgeted for indirect costs, the University distributes the collected indirect costs **monthly** as follows:
 - 1** 40% to the funded faculty member's department,
 - 2** 10% for use by the faculty member that received the grant,
 - 3** 25% to a central matching fund managed by the Office of Research and Sponsored Programs,
 - 4** 15% to a discretionary account managed by the Office of Research and Sponsored Programs, and

- 5 10% to the ZSR Library.
- ii Your 10% return will be put in a separate fund (D-fund) on which you will receive monthly budget reports. This money can be spent for any purpose other than additional salary for you.