



Sponsored Projects Accounting Accounting

A Division of Finance and Administration

Sponsored Projects Accounting (SPA) Certification

Each month SPA will devote this first page of “your” newsletter to those who have completed the SPA Certification. Once again, we **hope everyone will join SPA in congratulating the following people in completing the SPA Certification!**

Completed in 2015

Pam Arrowood
Karen Boyce
Mayet Davenport
Teresa Dotson
Heather Ervin
Sharon Foy
Sonja Hill
Debra Johnson
Melanie Kelley
Cindy Knisley
Amber Mathes
Ami McBride
Juvy Melton
Michele Norris
Teresa Parrott
Linda Robinson
Sara Stewart
Bobbie Suttles
Stacey Wade
Amanda Worsham

Completed in 2016

Samantha Allen
Candy Anderson
Debra Bower
Janet Bruce
Bridgit Carpenter
Stacey Conroy
Melissa Edwards
Karen Fries
Gena Jenkins
Tammy Johnson
Tonya Mathes
Audrey Williams



Spring is here!

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Special points of interest:

- *Cost Transfers*
- *UT was Represented at the FRA Conference!*
- *Upcoming Trainings!*



Campus Question Corner

Why can't I submit one Cost Transfer Explanation Form for multiple costs?

Each cost being transferred exceeding 90 days must have a completed Cost Transfer Explanation form. The form is not just being used to document the fact that cost are being moved after 90 days it is a document used to justify why that particular cost is being moved to another account 90 days or more after the cost was originally incurred.



Does that mean that there will never be a time that more than one cost can be submitted on one Cost Transfer Explanation Form?

No, not necessarily! But, this will only be allowable with SPA prior approval!

Reminder, after 90 days from original document date costs can't be moved until appropriate approvals have been received!

FRA Conference Highlights!

A few members of the SPA team attended the annual NCURA Financial Research Administrators Conference. There were also several people from the campus community who attended. UT was well represented!

This year, the Conference was all about Uniform Guidance (UG) and the changes other universities are making to ensure compliance. Some of the main areas of focus were Effort Reporting, Cost Transfers, Internal Controls, Closeouts, and Balancing Audit Risk vs Compliance.

While we're sure everyone came away with some great ideas and things to think about, SPA come away feeling really good about is where we think UT is in the big UG change game.

Based on the presentations, roundtable sessions, and group discussions attended, UT appears to be on par or slightly ahead of the game as far as trainings and policy updates to reflect the UG requirements. Several universities presenting at the conference are just now in the midst of updating their policy's and haven't really began conducting trainings on those updates.

We should all be proud that we work for a University that has people who are willing to be proactive in ensuring we are not only on paper prepared, but in practice prepared.

For this everyone should be congratulated!



Getting Serious about Cost Transfers!

Beginning January 2016, SPA began assessing our compliance review process for cost transfers. During this assessment we noticed some areas where we can further strengthen our controls to ensure compliance with University Cost Transfer policy FI0220.

It seems that most are doing a great job at completing what is required, but we can make improvements in consistency. Therefore, we thought this was a good time to supply a little refresher article.

What are we seeing with cost transfers?

We are seeing a lot of cost transfers that aren't fully documented in IRIS and missing support documents attached there when applicable. UT FI0220 states that "any cost transfer should be so complete or detailed that a person completely removed from the situation (e.g., an auditor) will be able to look at the request five years from now and understand what and why the entry was made. For this reason specific documentation requirements are listed in policy. The specific required documentation is as follows:

The details of the cost transfer must include:

- Original document number and posting date;
- Justification of the appropriateness of the charge or credit; and
- A full explanation of why the transfer is necessary. Note: "To correct error" is not sufficient.

The funding agency expects the official documentation for a cost transfer to include complete explanation of the reason the transfer is being made.

***The documentation requirements are required for all cost transfers regardless of the timing of the transfer.**

Timing and signature requirements:

Each transfer should be made within 90 days of the original charge and should be processed as soon as the need is identified. This is particularly critical when approaching the end of a budget period. Any cost transfer requests greater than 90 days after the original charge require a completed campus/institute cost transfer explanation form.

For cost transfers that are moving expenditures between 91 and 120 days, the Department Head must sign the Cost Transfer Explanation Form in addition to the Principal Investigator.

If under rare circumstances it should be necessary to make a cost transfer beyond 120 days, additional signatures are required by the Dean and the appropriate Campus/Institute Business Officer. For Knoxville campus, the forms requiring CBO approval should be routed to SPA.

Requests for late cost transfers should include an explanation of the extenuating circumstances that prevented the transaction from being made earlier. Requests to transfer costs later than 90 days after the original transaction without an approved explanation of the circumstances will be denied, and the department or college will be responsible for all costs.

However, all charges, including salaries, must be processed within 60 days after the sponsored project end date to ensure the timely submission of final financial reports.

The form contains a question box that requires a statement of how the department will ensure issues of this nature do not occur again in the future. Statements of "we are monitoring more closely, we have talked with the PI involved, etc." are not complete. We need detailed action steps that will ensure this issue is addressed and addressed department wide, not just to correct the current issue at hand. (Continued on last page)



*"When you reach the end of
your rope, tie a knot in it and
hang on."
Franklin D. Roosevelt*



Cost Transfers Continued!

In the example of discussing it with the PI will only affect how this PI handles things in the future. Without addressing this department wide, it allows for others to have the same issue and it doesn't tell us how the departmental staff will monitor for the issue.

Attachments in IRIS

After 90 days the Cost Transfer Explanation Form is to be completed. This completed form must be attached in IRIS along with all the other required documentation. **The form must be approved prior to any costs being moved.**

Additional Guidelines to keep in mind!

Salaries are not part of the cost transfer policy requirement.

A cost transfer cannot be processed on a closed WBS element or cost center.

A cost transfer that will overspend a WBS element or cost center will not be processed, unless an increase in funding is indicated.

If the amount being transferred differs from the amount indicated on the backup documentation, the written explanation must include a justification for the difference.

All cost transfer requests must have appropriate documentation, determined by the timing of the transfer, consisting of a justification, explanation, and required approvals. Requests containing all required information are still subject to possible denial; therefore, departments should make every effort to ensure expenditures are originally charged to the appropriate account. The department or college is required to fund all denied cost transfer charges and credits.

Any cost transfer should be so complete or detailed that a person completely removed from the situation (e.g., an auditor) will be able to look at the request five years from now and understand what and why the entry was made.

See policy here: http://policy.tennessee.edu/fiscal_policy/fi0220/

“Failure will never overtake me if my determination to succeed is strong enough.”

Og Mandino

UPCOMING TRAINING OPPORTUNITIES

Direct Costing

April 26, 8:30-11:30

238 Conference Center Building

Presented by: Jay Taylor

Registration Link!

<http://humanresources.tennessee.edu/eod/registration.html>

Invoicing, Reporting, and Cash Receipts

May 11, 8:30-11:30

238 Conference Center Building

Recharge Centers & Core Facilities: The Basics

April 27, 1:30

A004 Blount Hall

No RSVP required!

Presented by: Dr. Jonathan Phipps, Melissa Johnson, and Carol Malkemus



We hope to see everyone at the trainings!