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# **Research Administration Forum**

May 20, 2011



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## Agenda

- 9:00 Welcome and announcements
- 9:05 Year end sponsored financial concerns
- 9:20 F&A Rate Proposal Update and Timeline
- 9:30 KFS and Sponsored Finance
- 9:50 Effort Certification
- 10:15 Q&A



## Year-end Sponsored Financial Concerns

- All of the usual year end issues PLUS
- Need to close out legacy systems
- Read the Kuali dates and deadlines  
<http://www.dfa.cornell.edu/dfa/kfs/deadlines/index.cfm>
- PayReq, APPS & PCard
- Capital Assets – clear items from APPS queue by June 11



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## Procedure Changes

- Salary Recovery in Contract Colleges
- Changes to codes for posting of tuition for graduate assistantships



## Labor

- No ability to move labor data between legacy and KFS
- ADAF deadline of June 20 is absolute, but no need to wait for that date
- Make sure that everything is set for June 30 by reviewing May plan confirmation data
- BUT ... KFS will bring us great things for labor!



## **A-133 Audit**

- Annual audit beginning next week
- 8 awards selected for testing
- PI and department interviews
- Attempting to have most of sponsored portion completed in late spring, leaving financial aid for fall



## Preparation for SOX certification

- Sponsored Overruns
  - Closed or closing projects
  - Projects awaiting amendments
- Pre-Award Accounts
- Aging of receivables



## F&A Proposal

- Proposal went out by March 31
- Expect secondary data request next month
- Site visit in late summer
- Negotiation during the fall
- Rates likely to be retroactive to 7/1/2011
- CC benefit rate proposal submitted this week





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# **Research and KFS: Contracts & Grants**

Janet Strait  
C&G Module Lead



## Agenda

- Introduction
  - Contracts & Grants (CG) Module
  - Scope of Implementation
  - Award Roles
- Account Structure
  - Accounts
  - Sub-Accounts
  - Continuation Accounts
- Financial Activity
  - Budgets
  - Financial Processing
- Transition to KFS
  - FY11 ADAFs
  - Accounts set ups during transition
  - Salary Recovery



## Definition

- The Contracts & Grants (CG) module supports post-award financial requirements for sponsored activity; including indirect costs, cost share, financial transaction processing, and effort certification routing.



## Scope of Implementation

- Implement all CG e-docs (proposal & award e-docs and maintenance tables)
- Award e-doc will be created in KFS for each awarded proposal. We are planning to systematically create the proposal and award e-docs based on the Office of Sponsored Program's (OSP) Database using the OSP Project Number as the Proposal / Award ID.
- Anticipate that current level of information provided by the Sponsored Project Portal will continue to be supported.
- Each sponsored account will be associated with the Award e-doc and therefore provide complete reporting access for project activity. Reporting by sponsor information will be available utilizing the Award e-doc as well.



## Award Roles

- **Contracts & Grants Project Director:** Responsible for entire project, irrespective of accounts. This role is considered the lead Principle Investigator (PI) based on OSP and Sponsor records. Co-PI's can be designated on the Award e-doc.
  - Project Reporting access will be granted to the lead Principal Investigator.
  - Co-PI's will be granted access to their component based on the Account Manager role within the account only.
- **Award Project Director:** This is the Project Director associated with the account on the Award e-doc. In many cases, this will be the Account Manager as designated on the account and will approve Effort Certification. (Principal Investigator, Co-Principal Investigator, Team Lead, or other individual having such effort oversight responsibility).



## Accounts

- **Contract Control Account:** Upon execution of an award, CG staff will create the Contract Control Account.
  - Initiate the e-doc using Account Number – SPXXXXX (OSP = XXXXX). Through routing this can be revised to the unit's specific numbering convention.
- **CG Accounts:** Units may copy the contract control account to create another project account. (example: provide funding to another department.) These accounts will route to the CG processor for association with the award e-doc.



## Sub-Accounts

- Sub-Account: Units may create a KFS Sub-Account for additional record keeping requirements. Sub-Account's inherit the primary attributes of the account (Fiscal Officer / Account Manager / Fringe Rate / Account Type). They can have a different indirect cost rate. Requirement to ad-hoc route to SFS in order to modify the ICR Rate on a sub-account.
- Sub-Account examples:
  - Sub-recipient activity
  - Fabrication activity
  - Project activity requires separate tracking.
- Cost Sharing: KFS utilizes Sub-Accounts to account for cost sharing activity. Expenses post to the cost share Sub-Account with automatic transfers from the cost share source account to cover the expenses.



## Continuation Account

- Continuation Account: Each account created with an expiration date (or as an account is closed) requires a continuation account. As the account is created, units can use a default account that is updated during the close out process.
- Expiring / Closed Account Activity: Financial activity must be completed within 30 days of the final financial report due date. In KFS, there is a system parameter that extends the expiration date for Contract and Grant accounts by 90 days to allow for close-out activity. After that date, financial transactions will post automatically to the continuation account. Once the account is closed, regardless of whether it is in the 90-day window, activity will post to the continuation account as well.





## Agreement Budget

- Agreement Budget: SFS will utilize the budget adjustment e-doc to create the initial budget based on the agreement. We will also initiate formal budget modifications and transfers between project accounts. The unit can utilize the budget adjustment e-doc to move budget between the Account and Sub-Account, or to transfer budget to a more granular level within the project account.
- Routing of Budget: the Budget Adjustment e-doc routes to the Fiscal Officer or delegate and then to SFS for review.



## Financial Activity

- Financial Processing: Many of the KFS e-docs, including Salary Transfers, route to SFS for review.
  - Disbursement Vouchers, \$5,000 or greater and specific object code activity
  - Purchase Requisitions, \$5,000 or greater
  - Selection criteria can be easily changed and we will be looking closely at all central office reviews
- Project Revenue: Revenue will be recorded to the contract control account as invoices are generated. Upon closeout revenue will be distributed to project accounts. Receivable activity in KFS is represented by an object code and recorded in the contract control account.



## Reporting

- Inception-to-date: Contract and Grant activity, including federal appropriations, is considered inception-to-date. Inquiries and dashboards developed will utilize cumulative data.
- KFS Account Inquiries: Available Balance (Budget versus Actual) General Ledger Balance, both of which are object code based.
- Reporting Dashboards: Information Delivery & Reporting continues to develop sponsored dashboards for views based on institutional (SFS), organization and researcher.



## Transition to KFS

- Year end sponsored issues.
  - Importance of making labor changes in legacy system
  - ADAFs due by June 20th for FY11 adjustments
  - Close out FY11 in legacy general ledger
- Account set-up during KFS transition
  - June 1st: New Accounts restricted to those required for FY11 activity.
- EZRA Remediation for KFS Organizations



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## Questions?

- Please note:
  - Questions, comments or concerns can be submitted at anytime to:  
[kfs-feedback@cornell.edu](mailto:kfs-feedback@cornell.edu)



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# Effort Certification

Jeffrey Silber



## What is “Effort Certification”

- OMB Circular A-21 (section J.10.b.(1)(e) requires “at least annually a statement will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed, stating that salaries and wages charged to sponsored agreements ... or other categories are reasonable in relation to work performed.”



## Risks of Non-Compliance

- Severe penalties or funding disallowances could result from inaccurate, incomplete, or untimely effort reporting.
- Cornell or PI could be put on probationary, debarred, or special status which could affect future funding
- Could require more stringent reporting requirements
- Could lose expanded authority status





## Frequently raised concerns

- Everyone:
  - Certification must represent actual effort, not budgeted effort.
  - Breaks in certification
  - Total commitment
  - All of a person's compensated activities, including teaching, committee memberships, administrative duties, etc. cannot exceed 100% and must be factored into the overall allocation of time.
  - Individuals must know the project on which they are working and from what funds they are paid.



## More Concerns

- Faculty and/or Principal Investigators:
  - Summer salary. Only for project work during summer.
  - Institutional roles, proposal preparation, are not grant costs!
  - Over commitment
    - Has a person promised more than 100% to sponsors
  - Sponsor commitments
    - Are commitments being met?
    - Reduction of PI effort by greater than 25% (i.e. from 50% to 37.5%) requires sponsor approval.
- Graduate students and postdocs
  - Must be monitored just like other staff, despite independence.
  - Only stipend payments to GRAs are reflected on form.
    - Tuition should follow same distribution.



## Special situations

- NIH salary cap
  - Affects anyone paid all or in part on NIH funds, with FY11 pay rate greater than \$149,775 (9 mo) or \$199,700 (12 mo)
  - Creates a cost sharing requirement that must be recorded via an in-base linked cost sharing account.
- NSF Limits
  - Only two months per fiscal year professorial support from all NSF awards combined, including subawards, unless stated in award.
- Units need to coordinate with other units when:
  - Distributions cross unit lines and involve multiple supervisors
  - Individuals have multiple positions (will generate multiple certifications)
- Obtain certification by departing faculty prior to departure



## What is being certified?

- Effort is the total time spent conducting university business irrespective of normal work schedules.
- Certification must incorporate activity on all sponsored projects and all institutional activity stated as a percentage.
- Reports are based on 100% effort, not hours, weeks or other method.
  - Whether an individual works 20 or 60 hours a week, the total effort reported for that individual is 100%.



## What is being certified?

- Was the personal compensation allocable to the account charged?
- Was it in proportion to the effort provided?
- Is it in the right cost base?
- Is cost shared effort documented?
  - For faculty and senior researchers only mandatory and voluntary committed cost sharing should be recorded. Voluntary uncommitted effort for faculty and senior researchers may remain in the instruction base in accordance with the January 2001 A-21 clarification.



## What needs to be done first?

- Units should be reviewing effort throughout the year.
  - Reports are produced monthly via the Hyperion Brio Portal.
  - Contact Cost Analysis if you are having trouble accessing the reports. Contact [brio-hyperion-admin-supp@cornell.edu](mailto:brio-hyperion-admin-supp@cornell.edu) if you are having problems with Brio
- ADAFs must be prepared and received by Payroll no later than June 20, 2011 for any changes that need to be reflected in the final reports, or for future distribution.
  - Note: changes are subject to the recently revised Policy 3.20, Cost Transfers on Sponsored Projects



## Who should sign?

- Cornell permits certification by individuals, principal investigators, departmental administrators or, per A-21, anyone having “suitable means of verification that the work was performed.”
- “Verification” must be obtained and documented when using anything other than individual certification.
- Person who signs, and the principal investigator, are ultimately responsible for expenses on sponsored projects.
- Regardless of who signs, the Principal Investigator must be aware of, and understand, the effort certification process.



## Certifying Signature

- The signer must understand what they are signing and “know” the effort
- If the individual is not signing their own effort report, the signer must be as close as possible to the work performed (e.g. Direct Supervisor).
- Business managers cannot sign for entire department unless they have used ‘suitable means’.
- The signer is taking responsibility for certifying that the information is correct on the report.





## Suitable Means – What It Doesn't Mean?

- “Negative confirmation”
  - “PI always tells us if there is a problem.”
- Certified individuals because that is how they were appointed
  - Must review actual charges not commitments
- Certification based on allocation of academic appointment
- Review of labor distribution reports



## How to do the certification?

- Units should await notification from Cost and Capital Assets that the final reports are available and correct.
- Reports should be generated and reviewed as soon as they are available.
- Units must print and return one of the three reports.
  - Please choose one report to return
  - Return entire unit's certification together
  - Return in page number order
  - Reports with filters will not be accepted.
  - PLEASE DO NOT STAPLE REPORTS



## Assistance

- <http://www.dfa.cornell.edu/dfa/accounting/topics/costanalysis/effort.cfm>
- Accounting/PlanConfirmation directory in Brio
- [uco-cost-mailbox@cornell.edu](mailto:uco-cost-mailbox@cornell.edu)
- Nancy Abbott, Manager, Cost and Capital Assets, [nja3@cornell.edu](mailto:nja3@cornell.edu), 5-9368
- Debbie Littlejohn, Cost Analyst, Cost and Capital Assets. [djl258@cornell.edu](mailto:djl258@cornell.edu), 5-9402



## Effort in KFS

- Switch to “after-the-fact” confirmation
- Fully on-line, routed to “Award Project Director,” Fiscal Officer and then to Cost Analysis
- Current plan is three certifications per year for faculty (Fall/Spring/Summer) and two for all other staff
- Faculty training will be rolled out concurrently with the KFS effort implementation
- First certification around November 2011 for July and August faculty summer salary



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**Questions?**



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## **Q1: Will faculty training be mandatory**

- A1: Yes. The faculty effort training, which will be combined with the KFS effort certification training, will be mandatory.



**Q2: Is it okay if a person has 2 months of summer salary on an NSF award and additional salary from another federal award?**

- A2: Yes. For example, a person can be paid two months from various NSF awards and one-half month from a DoD award, as long as they worked on those awards for the respective amount.



**Q3: After KFS go live with multiple certifications per year will it still be a break in certification if we make changes ?**

- A3: It will still be a consider a break, however we will make it much easier for the PI to make changes to the effort and get it right before certifications. We will also look at lengthening the certification period, perhaps to 45 days, to ensure that we have ample opportunity to make adjustments.





**Q4: How will it work in KFS if someone is working on a project before the award arrives and we are not allowed to set up an advance account?**

- A4: You should always be allowed to set up an advance account if the decision has been made to spend the funds, or have a person work on the project. The real risk is doing work without a signed agreement. If the project is not funded you can always move salaries to a non-sponsored award. It would not be proper to have expenses on project A if they really will be put on project B once it arrives.