



UNIVERSITY OF
SOUTH CAROLINA

GFM Cost Transfer and Hot Topics
Grants and Funds Management
Controller's Office

April 6, 2021

Today's Agenda

- Cost Transfer Policy Update
- Retro Form Updates
- Project Team Workflow
- Effort Reporting Update
- Risk Account Set Up/ Award set up and Close Out
- Summer Pay on Grants
- Sub-Award Invoicing
- Helpful Hints



Cost Transfer Policy

Policy Title: Grants and Funds Management – Cost Transfer Policy (FINA 3.35)

Purpose: The purpose of this policy is to set forth the University of South Carolina's requirements for cost transfers to, from, or between sponsored projects.

Definition: A Cost Transfer is a reassignment (transfer) of charges between accounts. *This includes both direct charges and cost share.*



Cost Transfers- Starting 4/15/2021

Any cost transfer (including Retro Funding Changes) must have a cost transfer justification form attached, if they impact sponsored awards. This form replaces the need for any memos that would otherwise have been included when requesting transfers.

This form is to protect all vested parties

- Ensures PI review and approval prior to expenses being moved
- Ensures proper documentation to avoid audit findings




Cost Transfer Justification Form

Cost Transfer Justification Form	
PURPOSE	
<p>This justification form will help ensure compliance with Uniform Guidance along with University policy regarding cost transfers. In the event of an audit, the information provided below will be used to substantiate the adjustment. This form is required for any cost transfers that adjust expenditures involving sponsored project accounts (the USCSP Business Unit). Principal Investigator (PI) certification and approval is required for all cost transfer requests. Once completed, this form needs to be attached with required supporting documentation to the proper request (Payroll Retro, Expense Module Correction Form, JV eform, etc.). If this form is not included, the request will not be completed.</p>	
COST TRANSFER TYPE	
<input type="checkbox"/> Payroll Retro Funding Change Request	<input type="checkbox"/> Expense Module (payment with pcard)
<input type="checkbox"/> JV (payment through check/voucher)	<input type="checkbox"/> Other
Original (incorrect) chartfield *:	<input type="text"/>
Correct chartfield *:	<input type="text"/>
<i>* For payroll retro forms, "see retro form" may be listed if multiple projects/funds are involved in the request</i>	
JUSTIFICATION	
1. Please specify the transaction(s) being moved and how it directly benefits the sponsored project it is being moved to, if this is being moved to a USCSP account.	
<input type="text"/>	
2. How was this error or situation discovered? Please include the reason this was originally charged to the incorrect sponsored project or account.	
<input type="text"/>	
3. How will this type of error or situation be prevented from happening in the future?	
<input type="text"/>	
CERTIFICATION	
As PI, I approve this expense to be adjusted according to the fund(s)/project(s) listed above. I certify this expense is in accordance with the award budget as well as allocable and necessary for accomplishing the scope of work.	
PI Signature: <input type="text"/>	Date: <input type="text"/>
**PI Signature: <input type="text"/>	Date: <input type="text"/>
Printed Name: <input type="text"/>	**Printed Name: <input type="text"/>
<i>** If adjustment impacts more than one PI</i>	




Payroll Retro Funding Changes

New Form:

 UNIVERSITY OF SOUTH CAROLINA	PAYROLL RETRO FUNDING CHANGE	
TO BE COMPLETED BY THE DEPARTMENT		
USC ID:	NAME (Last, First):	
JUSTIFICATION/NOTES (Cost Transfer Justification Form must be completed and attached if a USCSP project is part of the transaction):		
PAYCHECK DATE:		

Old Form:

 UNIVERSITY OF SOUTH CAROLINA	PAYROLL RETRO FUNDING CHANGE	
TO BE COMPLETED BY THE DEPARTMENT		
USC ID:	NAME: (Last, First, Middle)	
EMPL RECORD:	HOME DEPT#:	
DEPARTMENT NAME:		
JUSTIFICATION/NOTES:		

Form can be found on the homepage of the [Controller's Office](#) website.

Cost Transfers – May Be Allowable

Grants and Funds Management (GFM) reviews cost transfers for allowability. The following three prerequisites are considered:

- The cost transfer must provide a direct benefit to the Sponsored Project being charged.
- The cost transfer must comply with both the University's policies and sponsor's terms and conditions.
- The cost transfer must be fully documented.

Other factors, such as timing may affect allowability.



Example Transfers that May Be Allowable

The following is a list of examples that illustrate circumstances in which a cost transfer may be allowable:

- To correct errors due to the untimely receipt of information by the University (e.g. late notice of award).
- To reallocate effort based on actual effort expended.
- To move pre-award costs to the appropriate project in accordance with Uniform Guidance.
- To correctly allocate costs benefiting more than one project.
- To remove unallowable charges.
- To remove out-of-period charges.



Cost Transfers – Not Allowable

Certain cost transfers **are not** allowable under any circumstances. Such as:

- To correct deficiencies caused by overruns or other funding considerations.
- To avoid restrictions imposed by the law or by terms of the Sponsored Project.
- To “park” expenses which will subsequently be transferred elsewhere, including to competing or non-competing continuations of the same project for which the notice of award or new project has not been received.
- To transfer costs to a sponsored project merely because there are unexpended funds available which would otherwise be returnable to the sponsor.



Timing of a Cost Transfer

A cost transfer should be processed as quickly as possible upon discovery of the error. Some cost transfers that are deemed allowable, may be impacted by other factors such as:

- Financial report due/submission date
- Carryforward request due/submission date
- Final invoice due/submission date

Note: Cost transfers which remove expenditures from sponsored projects are not subject to a time limit, and must be prepared at any time that it is determined that an expenditure charged to a sponsored project is not appropriate or allowable to that project.



Project Team Updates

- Annual auditors review workflow set up to confirm PI's are included in expense review and approval
- All workflow items should route to the PI, if this presents issues please work with Marie
- All PI changes must route through the SAM Office



Project Team Updates

- The automated emails about close out pull from the project team- changes can be requested through Marie
 - There is the ability to list more than one Business Manager



Effort Reporting

- July – December 2020 effort reports were due March 5th
 - 173 reports are still outstanding
- Be sure to review reports in error and email GFMEcert@mailbox.sc.edu
- Do NOT wait until effort reports are released to review payroll
- Payroll should be reviewed throughout the life of the award
- Use **Reporting Tools!!**
- Re-certifications should be *infrequent*



Account Reopens

- Delayed review of accounts that are already closed causes an account reopen
- Often result in refunds to sponsors
- Increased red flags and questions/concerns from the sponsor



Account Set Up and Close Out

- June 2021 has over 200 accounts that will close, July has another 100- by August we will have 300 accounts in close out.
- Over 175 that will also be set up to begin in July. From June through August over 300 new accounts will be established.



Account Set Up and Risk Account Reminders

- In order to keep pace, the need for risk accounts needs to be evaluated in May, and formally requested by 5/15, to ensure time to have account changes and reappointment completed by 7/1.
- With the increased volume and so many urgent requests, it is difficult to accommodate.



Risk Account Requests

1. PI prepares a memorandum or email containing the following information:

- Title of project
- Sponsor
- Minimum dollars required, by object code, to accomplish objectives
- Dates of proposed risk account (not to exceed three months)
- Justification (e.g. the proposal is approved and awaiting final administrative action by the sponsor)

2. PI obtains Chair and Dean approval of the request

3. PI forwards the request and approvals to their assigned SAM Administrator



System Set Up Timeline

Project Generation needs an estimated 5 days, this includes nightly batches that must run within the process

- System interface
- Crosswalk set up and Combo Code set up
- Actual award set up



Reappointments

- Reappointments need to be processed before account changes, especially if the effective date of the reappointment is before the start of the next funding year. The usual effective date of a reappointment is the date the eform is submitted.
 - For example, if the next funding year for an award starts 4/1/21 and the effective date of the reappointment is 3/16/21 or even 3/31/21 the eform would have to have old year of funding. Once the reappointment is finalized in HCM then an account change can be submitted effective 4/1/21 to the new year of funding.



Ending Awards - Payroll

- If applicable risk accounts are not requested in time, all out of period payroll will continue to be redirected.
 - The goal is to avoid this, as it creates more retro requests to be completed and processed



Close Outs - State Agencies

- We negotiate as much as possible to do a June- Not final invoice and once 7/15 for lag employees post submit the final.
- State agencies cannot give much beyond this- please work closely with your PAA to ensure all costs are posted.



Close Outs- State Agencies

- Some agencies cannot give time beyond the 7/5 deadline for an additional invoice.
 - If you have a lag employee issue, please email Marie and Lindsay for possible solutions
 - Please account for this deadline with spending and purchases at the end of June



Close Out - Other Agencies

- Most other agencies will give 30-60 days for final invoices, June closes, please work to ensure that all costs are accounted for through by 7/31. This will give PAAs time to review, gather backup and get finals out to sponsors as timely as possible.



Close Out - Other Agencies

- Charges not posted within 30 days of the end date:
 - GFM will continue to work closely with the compliance group regarding subs.
 - If there are IITs, or internal charges- let us know so we can help reach out and ensure costs are processed.



Central Resources - Close Out

- 90 and 30 day emails prior to end date
 - Work with SAM for extensions
- 15 day email after end date
- Checklists on the website
- Combo Code End Dates in the system



Incrementally Funded Awards

- Sponsors such as NIH will award funds by budget period, within a project period.
 - The Non Competing segment may last 5 years
 - The funds available will only be through the current funded budget period



Sub-recipients / Sub-awards

- SAM coordinates with the Controller's Office to set up purchase orders for Sub-recipients / Sub-awards through PeopleSoft
- Reimbursement Steps:
 - Sub-recipients must submit invoices to the sub-invoice mailbox: subinv@mailbox.sc.edu
 - PI must approve all sub-recipient invoices
 - GFM will submit approved invoices to AP for payment



Sub-recipients / Sub-awards Invoices

- Invoices from sub-recipients must meet the requirements as outlined in the terms and conditions of their agreement.
- Invoices will be returned if they do not meet the minimum requirements.
- **Generally, the invoice must contain:**
 - Subaward and/or PO number
 - Period of performance
 - Current and cumulative expenses
 - Certification statement & signature



Subaward Agreement Example

FDP Cost Reimbursement Research Subaward Agreement			
Federal Awarding Agency: US Department of Energy (DOE)			
Pass-Through Entity (PTE): University of South Carolina		Subrecipient: University of Massachusetts Lowell	
PTE PI: [REDACTED]		Sub PI: [REDACTED]	
PTE Federal Award No: DE-EE0008842		Subaward No: 20-4038	
Project Title: A Multifunctional Isostructural Bilayer Oxygen Evolution Electrode for Durable Intermediate-Temperature Electrochemical Water Splitting POC No. 2000052058 USC No. 10009634			
Subaward Period of Performance (Budget Period): Start: 10/01/2019 End: 12/31/2020		Amount Funded This Action (USD): \$ 75,604.00	
Estimated Project Period (if incrementally funded): Start: 10/01/2019 End: 12/31/2022		Incrementally Estimated Total (USD): \$ 289,731.00	
Terms and Conditions			
1. PTE hereby awards a cost reimbursable subaward, as described above, to Subrecipient. The Statement of Work and budget for this Subaward are as shown in Attachment 5. In its performance of Subaward work, Subrecipient shall be an independent entity and not an employee or agent of PTE.			
2. Subrecipient shall submit invoices not more often than monthly and not less frequently than quarterly for allowable costs incurred. Upon the receipt of proper invoices, the PTE agrees to process payments in accordance with this Subaward and 2 CFR 200.305. All invoices shall be submitted using Subrecipient's standard invoice, but at a minimum shall include current and cumulative costs (including cost sharing), Subaward number, and certification, as required in 2 CFR 200.415 (a). Invoices that do not reference PTE Subaward number shall be returned to Subrecipient. Invoices and questions concerning invoice receipt or payments shall be directed to the party's Financial Contact, shown in Attachment 3A.			
3. A final statement of cumulative costs incurred, including cost sharing, marked "FINAL" must be submitted to PTE's Financial Contact, as shown in Attachment 3A, not later than 60 days after the Budget Period end date.			



Common Invoice Issues

As we continue to follow up on payments, there are a few common issues that create payment delays or rejections:

- Cost share out of ratio
- Spending out of category
- Delayed spending
- Lump sum spending
- Missing progress reports



Helpful Tips - Summer Pay

2021 Pay Period Ending	Deadline (Submit to HR by Noon on)
Saturday, May 15, 2021	Wednesday, April 21, 2021
Monday, May 31, 2021	Thursday, May 6, 2021
Tuesday, June 15, 2021	Monday, May 24, 2021
Wednesday, June 30, 2021	Tuesday, June 8, 2021
Thursday, July 15, 2021	Wednesday, June 23, 2021
Saturday, July 31, 2021	Thursday, July 8, 2021
Sunday, August 15, 2021	Friday July 16, 2021
Tuesday, August 31, 2021	Monday, August 2, 2021

- Please **double** and **triple** check all combo codes on the summer form as this is the code that drives where Summer Pay will post in HCM. The combo code query (SC_PY_COMBO_CODES) is available in HCM to check your combo codes.
- Summer forms need to be submitted based on the schedule provided by HR, this follows the same schedule as all HR forms.



Helpful Tips - Payroll

- Payroll can always be removed from a USCSP award to non-sponsored funding, regardless of timeframe.
- Please pay attention to the pay group for the employee, as this is the determining factor on if an employee is paid on a lag vs. current.
- If an employee is rerouted so out of period payroll does not post to an award, an account change will need to be submitted to correct the employee's payroll.
 - Account change needed emails are sent before every payroll.
- Retros are usually processed the day after receiving. If you do not see your retro processed within a week or two, please follow up with the retro mailbox.



Helpful Tips - Journal Entries

- Transfer accounts are prohibited in the USCSP Business Unit
 - GFM now does a review quarterly, and will do so monthly closer to year end. Any **8XXXXX** entries other than residual funds must be reversed.



Helpful Tips - Journal Entries

Journal Entries should be very limited on awards through the department

- Payroll must be done through a retro JE request, this cannot be done via JE
- Tuition must be moved through the tuition forms and cannot be done via a JE
- Lease payments must be done through the lease module, reach out to your PAA for further guidance
- These are sub systems and must reconcile to the GL or audit findings can result.



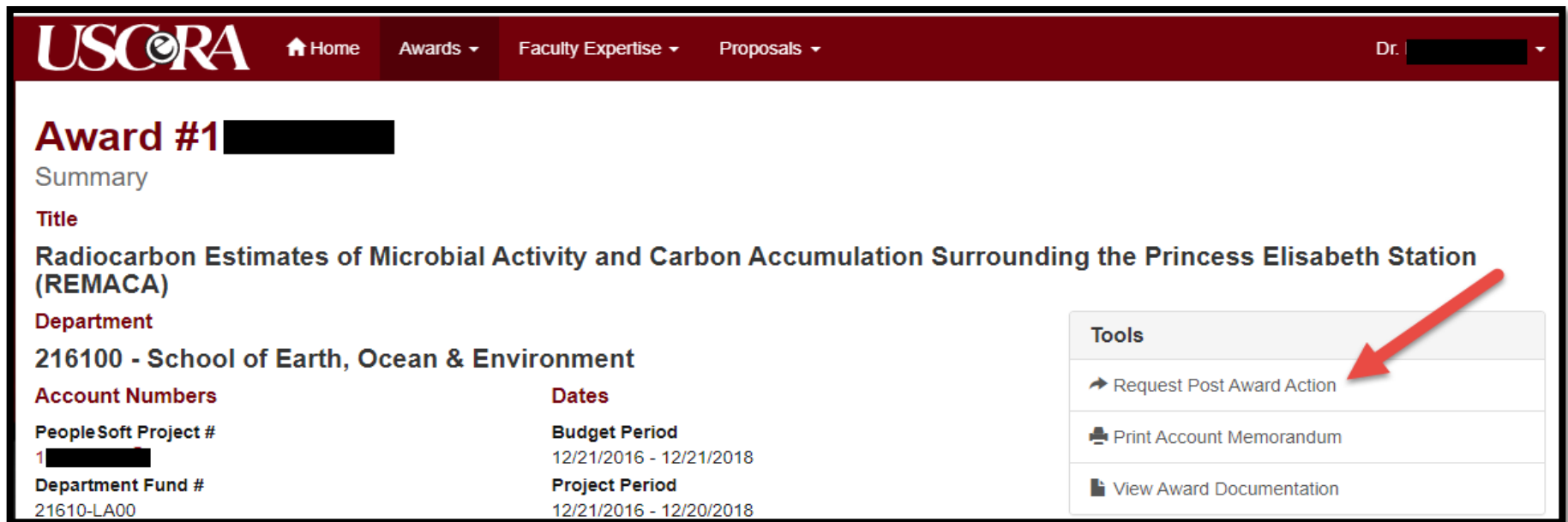
Helpful Tips - 3rd Party Cost Share

- 3rd party cost share is cost share reported to an agency but that is not our UofSC's General Ledger.
 - Due to this, it requires a specific entry into the system, these entries are done by GFM
 - If an award contains 3rd party contributions, the backup must be similar to that of what would be required should we have paid for the services/ items.
 - With this documentation the entry can be completed and the costs reported



Helpful Tips - Rebudget Requests

- Rebudget requests must be submitted in USCERA, using Post Award Action Request Tool
 - Please make sure funds are available before re-budgeting



The screenshot shows the USCERA website interface. At the top, there is a navigation bar with the USCERA logo, a home icon, and menu items for 'Home', 'Awards', 'Faculty Expertise', and 'Proposals'. A user profile 'Dr. [redacted]' is visible in the top right. The main content area displays details for 'Award #1 [redacted]'. The 'Summary' section includes the title 'Radiocarbon Estimates of Microbial Activity and Carbon Accumulation Surrounding the Princess Elisabeth Station (REMACA)', the department '216100 - School of Earth, Ocean & Environment', and account numbers. A 'Tools' sidebar on the right contains three options: 'Request Post Award Action' (highlighted with a red arrow), 'Print Account Memorandum', and 'View Award Documentation'. The 'Dates' section shows the budget period as '12/21/2016 - 12/21/2018' and the project period as '12/21/2016 - 12/20/2018'.

USCERA Home Awards Faculty Expertise Proposals Dr. [redacted]

Award #1 [redacted]

Summary

Title
Radiocarbon Estimates of Microbial Activity and Carbon Accumulation Surrounding the Princess Elisabeth Station (REMACA)

Department
216100 - School of Earth, Ocean & Environment

Account Numbers

PeopleSoft Project #
1 [redacted]

Department Fund #
21610-LA00

Dates

Budget Period
12/21/2016 - 12/21/2018

Project Period
12/21/2016 - 12/20/2018

Tools

- Request Post Award Action
- Print Account Memorandum
- View Award Documentation

Helpful Tips - Rebudget Requests

- USCERA does not accept decimals, please round your budget appropriately
- A rebudget justification is required and should answer the following:
 1. Has there been a change in scope of work or deliverables?
 2. Is there a significant change in a project member's effort or change in PI or key personnel?
 3. Are you adding or reducing any of the following categories that commonly require sponsor prior approval: equipment, participant support costs, other capital expenditures, subawards or contractors, travel.
 4. For each budget category changed, please explain why the funds are no longer needed in the original category and why they are necessary in the new category.
 - Reasons such as “revised budget to accommodate expenditures”, “budget category out of balance”, “money left over”, or “correct projected shortfall”, are not sufficient justification to re-budget funds.



Helpful Tips - Reporting

- **All** reporting must flow through GFM
 - GFM is the only authorized financial official on campus for USCSP
 - This protects potential missed expenses or issues with payment
 - Non financial reports that require financial data should still include GFM



Audit Impacts - SEFA

- Sub account codes 52076/52084
- Reopens are easily visible
- Award purpose codes in USCERA
 - NIH and NSF are always Research
 - Must be classified as accurately as possible



Helpful Tips

- Pay attention to the 90 and 30 day project ending notifications.
- Establish and use risk accounts to avoid parking charges and unnecessary cost transfers.
- Make sure you are reviewing payroll regularly.
- Allocate purchase card expenses appropriately in the beginning.
- Please ensure P-Cards do not default to grant projects.
- Be sure to watch your budgets and make sure to spend within budget categories.
- Charge the grant and cost share as it is incurred and within ratio.



Where to Find Resources

Uof SC South Carolina

GATEWAYS FOR: STUDENTS FACULTY & STAFF ALUMNI PARENTS CALENDAR MAP DIRECTORY GIVE

SEARCH SC.EDU

Office of the Controller

- Office of the Controller
- General Accounting
- Grants and Funds Management**
- Grants and Funds Staff Directory
- Supplier and Tax Management
- Cash and Treasury Management
- Financial Reports and Transparency
- Chart of Accounts
- Policies and Procedures
- Contact Us

Grants and Funds Management

Grants and Funds Management is responsible for the accounting and management of all restricted grants and contracts within the university system.

Our Services

The Grants and Funds Management team:

- monitors grants and contracts
- prepares invoices
- prepares financial reporting in accordance with grant award documents and federal, state and local laws and regulations

Contact Grants and Funds Management

For questions about any Grants and Funds Management services, please contact us directly:

1600 Hampton Street, 6th floor
Columbia, SC 29208
Phone: 803-777-4850

Grants and Contract Assignments	Expand all (+)
F&A Allocations	(+)
Information Links for Grants and Contracts	(+)

Webinars and Training	Expand all
Post Award and Grant Closeout	(+)
Uniform Guidance and Effort Reporting	(+)
HCM Payroll Distribution Reporting Tool	(+)
New Time and Effort Reporting System	(+)



Questions





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