MSU’s Financial Administrator Development Program

Post-Award Contract and Grant Administration

Presenters:
Dan Evon, Director, Contract and Grant Administration
Evonne Pedawi, Assistant Director, Contract and Grant Administration
AGENDA

1. About CGA
2. Post-Award Management
3. Audits
4. Compliance
Contract and Grant Administration

Mission Statement:

Contract and Grant Administration (CGA) is a unit dedicated to superior post-award administration. Our mission is to support MSU's research and creative endeavors by providing timely, accurate, and courteous assistance to faculty and support staff with the financial and contractual administration of their grants, cooperative agreements, and contracts. CGA is also the "official" designated point of contact for external financial audit.

webpage: www.cga.msu.edu
Post-Award - Contract & Grant Administration (CGA)
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884-4234

Evonne Pedawi
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884-4272

Front Office
Sally Reiser
884-4232

Awards Group
Stacy Salisbury, Manager
884-4252

Jeanette Dubendorf: 884-4249
Stephanie Hoy: 884-4283
Sharon Hildred: 884-4235*
Jenny Rivers: 884-6859
Ashley Ruskell: 884-6858
Cindy Sweeney: 884-4242
Open Position: 884-4280
*Effort Reporting

Transactions Group
Kristy Smith, Manager
884-4247

Dana Applebee: 884-4276
Jennifer Hunter: 884-4254
Nate Parks: 884-4268
Julie Pott: 884-4246
Jarrod Thornton: 884-7893
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Transactions Group Responsibilities: Conducts pre and post audit of RC account expenses including, SAP redistributions and payroll transfers > 60 days, international travel, cost transfers, domestic and non-resident personal service contracts, equipment and subcontract payments. Email address for the Transactions Group is: Transactions@cga.msu.edu.

Reports Group
Kasey Schieller, Manager
884-4289

Denise Later: 884-4277
Jessica Lemke: 884-4281
Kirk Remaker: 884-4297
Branna Schuler: 884-4265
Katie VanDyke: 884-4291
Open Position: 884-4284

Reports Group Responsibilities: Prepare invoices and financial reports for cost reimbursable and fixed price accounts, monitor cost share, prepare expense estimates, closeout of non LOC RD accounts, service center rate review. Email address for the Reports Group is: Reports@cga.msu.edu.

Cash Management Group
Andrew Cascaradan, Manager
884-4283

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Ryan Kelremen: 884-6855
Amanda Rink: 884-4233
Roger Gray: 884-4166**
**Joint with Financial Analysis

Cash Management Group Responsibilities: Letter of Credit (LOC) draws and related agency reporting, deposits, account receivable follow-up on invoices, financial reporting, closeouts on RC and LOC RC accounts, service center rate review. Email address for the Cash Management Group is CashManagement@cga.msu.edu.

Awards Group Responsibilities:
Account number assignment, no-cost extension requests, account amendments, prepare and amend (FDP) subcontracts, and effort reporting operations. Email address for the Awards Group is: Awards@cga.msu.edu.

Help Desk: In the event you are unsure who to contact in CGA, please contact the Awards Group.

CGA 3-23-2016
About CGA: Group Descriptions & Duties

**Awards Group**: Takes new awards from OSP and turns them into active accounts for use by PIs. Duties include: account assignment, amendments and preparing subcontracts (FDP template).

**Transactions Group**: Reviews expenditures on restricted sponsored projects (RC accounts). Expenditures include: travel disbursements, Personal Service Contracts, and subcontract payments.

**Reports Group**: Completes financial reports within agency prescribed time frame. Duties include: preparing financial reports, monitoring cost share requirements, account closeout and archiving

**Cash Management Group**: Manages the inflow of cash from sponsored project accounts. Duties include: Letter of Credit draws, invoicing, deposits, account receivable follow-up, ARRA reporting, and Effort Reporting.

For more information, please view at: 
Post-Award Management: Account Setup

- New awards received from OSP are set up into active accounts for use by the PIs.
  - RC = Restricted funds
    - Transactions route to CGA for approval
  - RG = Restricted funds
    - Transactions do not route to CGA for approval

- Budget Reallocation (BA) eDocs initiated in KFS
  - BA docs set up the revenue (obj code 4057) and budget (obj code 7XXX) amount for an award.
Post-Award Management: Transactions

Why does CGA review transactions?

- Compliance
- Risk Assessment
- Independent review of documentation

What is CGA looking for on transactions?

- Supporting Documentation – attach in KFS
- Explanation of Project Support
  - Describes transaction & it’s benefit to the project.
- Accuracy

Understand the checks and balances of the system – CGA can say no.
Post-Award Management: Basic Federal Principles

To charge a cost to a project it must be:

- **Allowable** – per terms of the agreement and/or agency and university guidelines
- **Allocable** – directly benefits the project
- **Consistently Treated** – direct (project) or indirect (university) cost
- **Reasonable** – prudent, complies with applicable laws, necessary, and consistent with University policy
Post-Award Management: Basic Federal Principles

Needed, Received & Used Concept

- An expenditure must be...
  - **NEEDED** by the project
  - **ALLOWABLE** according to the cost principles
  - **PURCHASED** and **USED** during the project period
    - Exception for publication costs – since they are likely to occur after the end date

- Especially important to consider for anticipated expenses toward the end of a project.
Post-Award Management: Reports or Cash Management

- CGA provides the service of preparing and submitting the financial invoices or draws cash via letter of credits.
  - Approximately 1,000 reports for Letter of Credit accounts quarterly.
  - Approximately 1,140 Account Receivable reports submitted quarterly

- CGA may contact you with questions regarding the financial report.
  - Final financial reports are emailed for approval prior to submission.
  - Required cost share, other than effort, needs to be sent to CGA so it may be included in the financial report.

- CGA tracks payments made through either Account Receivable (billing tab of Account Explorer) or Letter of Credit (LOC).
Post-Award Management: Final Reports

- **Final Reports** - Typically, for federal awards, the reports must be submitted **within 90 days** of the end date of the award. For flow through awards most final reports are due **within 60 days** of the end date.

- **What are the most common final (federal) reports required?**

<table>
<thead>
<tr>
<th>Type of Report</th>
<th>Prepared By</th>
<th>Signed By</th>
<th>Submitted By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>CGA</td>
<td>CGA</td>
<td>CGA</td>
</tr>
<tr>
<td>Equipment</td>
<td>Department</td>
<td>CGA</td>
<td>CGA</td>
</tr>
<tr>
<td>Patent</td>
<td>Department</td>
<td>MSUT</td>
<td>CGA</td>
</tr>
<tr>
<td>Technical/Progress</td>
<td>PI</td>
<td>CGA</td>
<td>Department or CGA</td>
</tr>
</tbody>
</table>

*Other reports may be needed as specified in the award*
Post-Award Management: Helpful Tools

Welcome to CGA - Post-Award  

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Federal Uniform Guidance

Federal Procurement

Organization Structure

- CGA Group Descriptions
- CGA Org Chart

Policy and Procedures

- Cost Share Policy
- Cost Transfers Approval Documentation
- Faculty Handbook - Sponsored Research and Creative Endeavor
- Federal/State Cost Policy
- Needed, Received and Used Policy
- Fly America Act
- Manual of Business Procedures
- Salary Changes and Routing for Grant Accounts
- Signature Authority - Who is authorized to sign?
- VPRGS Policies - Authorship, COI, RC, Data Management
- Affordable Care Act (ACA) Fee Distribution to RC Accounts
Post-Award Management: Account Explorer

Account Explorer: *restricted to MSU employees*

- CGA view into the contractual and financial parts of an award without using KFS.
  - Provides account specific notes.
  - Identifies PI and departmental administrator responsibilities
  - Updated throughout life of a project to reflect accurate award information.
  - Identifies subcontractor information per award.

- Provides functions not easily available in KFS.
  - Budget vs. Actual (easily accessible)
  - Subcontractor encumbrances
  - Cost Share
  - Payroll (easily accessible)

webpage: [https://www.cga.msu.edu/PL/Accounting/AE2/AE2.aspx#Account](https://www.cga.msu.edu/PL/Accounting/AE2/AE2.aspx#Account)
Account Explorer

Search By: Account

Account: RC105573  App: 143975 | New $  
Source of Funds: FEDERAL

Project Title: CucCAP: Leveraging Applied Genomics to Improve Disease Resistance in Cucurbit Crops

Project Dates: 9/1/2015 - 8/31/2019
Obligation Period: 9/1/2015 - 8/31/2019
F&A Rate / Base: 53.50 / MODIFIED TOTAL DIRECT COST +
Costshare Required?: No ()
KFS CG Account Type: GRANT (LOC: Yes)
Acct Granor: National Inst of Food & Agriculture (U0613U)
Principle Investigator: Grumet, Rebecca Hausbeck, Mary
Department: HORTICULTURE - ANR (10002410)
Prime Granor: Busick, Lorri
Parent Account: ( Subs }
KFS CG Account Status: 
Award #: 2015-51181-24285

Link RC105573 to app  
Account Notes  
App Notes  
Add New Account  
Copy to New Account  
Edit»
### Agency Prior approval is required for the following checked actions:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Action Description</th>
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</thead>
<tbody>
<tr>
<td>Budget deviations (Explained below)</td>
<td>Change in Scope of Work</td>
</tr>
<tr>
<td>Pre-Award costs</td>
<td>Reduction in PI effort (25% or more)</td>
</tr>
<tr>
<td>Administrative/Clerical Staff not budgeted</td>
<td>No-cost extension (up to 1st 12 months)</td>
</tr>
<tr>
<td>Equipment not budgeted</td>
<td>No-cost extension (after 1st 12 months)</td>
</tr>
<tr>
<td>Subaward not budgeted</td>
<td>Carry-Forward of unexpended balance</td>
</tr>
<tr>
<td>International travel</td>
<td>Rebudgeting of Participant Support Costs to other categories</td>
</tr>
</tbody>
</table>

### Additional Notes on Agency Prior Approval:

Subawards require approval if subawards are > 50% of total award

For questions regarding additional details on actions that require prior approval or required documentation needed for prior approval submission please contact the Awards Group at Awards@cga.msu.edu.
<table>
<thead>
<tr>
<th>Account #</th>
<th>Recipient</th>
<th>Unpaid Balance &lt;= $25,000</th>
<th>Unpaid Balance &gt; $25,000</th>
<th>Unpaid Balance</th>
<th>Subaward Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>RC105573CU</td>
<td>Cornell Univ (C0049O)</td>
<td>$25,000.00</td>
<td>$325,000.00</td>
<td>$350,000.00</td>
<td>$350,000.00</td>
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<tr>
<td>RC105573TAM</td>
<td>Texas A&amp;M Univ (T0041O)</td>
<td>$25,000.00</td>
<td>$434,925.00</td>
<td>$459,925.00</td>
<td>$459,925.00</td>
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<tr>
<td>RC105573UGARF</td>
<td>Univ of Georgia Research Foundation Inc (U0636O)</td>
<td>$25,000.00</td>
<td>$169,000.00</td>
<td>$194,000.00</td>
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<tr>
<td>RC105573UPRM</td>
<td>Univ of Puerto Rico at Mayaguez (U0658O)</td>
<td>$25,000.00</td>
<td>$68,000.00</td>
<td>$93,000.00</td>
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<tr>
<td>RC105573WVSU</td>
<td>West Virginia State Univ (W0412O)</td>
<td>$25,000.00</td>
<td>$159,761.00</td>
<td>$184,761.00</td>
<td>$184,761.00</td>
</tr>
</tbody>
</table>

$125,000.00 $1,156,686.00 $1,281,686.00 $1,281,686.00
Post-Award Management: RC accounts

Why are RC accounts different?

- Monitored in compliance with Sponsors’ terms and conditions.
- Subject to audit by Single Audit (formerly known as A-133) auditors, internal auditors and external auditors.
- PI’s responsible for financial management
  - Departmental administrators, CGA and other central administrators (purchasing, payroll, accounting, etc.) are available to assist.
The Award Life Cycle: Audits and Compliance
Federal Paybacks Resulting from Audits

- University of Florida, 2015 $19.875M Settlement
- Columbia University, 2014, $9.02M Settlement
- University of South Florida, 2014, $6.4M Questioned Costs
- Emory University, 2013, $1.5M Settlement
- Northwestern University 2013, $2.9M Settlement
- Florida State, 2012, $3M Questioned Costs – not yet settled
- Cornell - Weil Medical College, 2006, $2.6M Settlement
- Yale University, 2008, $7.6M Settlement
- Clark Atlanta University, 2006, $5M Settlement
- University of Connecticut, 2006, $2.5M Settlement
- Cornell University, 2005, $4.3M Settlement
- Mayo Foundation, 2005, $6.5M Settlement
- Florida International University, 2005, $11.5M Settlement
## Audits and Monitoring Activity:

<table>
<thead>
<tr>
<th></th>
<th>FY 11-12</th>
<th>FY 12-13</th>
<th>FY 13-14</th>
<th>FY 14-15</th>
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<tbody>
<tr>
<td><strong>Internal Audit</strong></td>
<td>32</td>
<td>32</td>
<td>30</td>
<td>37</td>
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<tr>
<td><strong>External Audits – Plante Moran</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSU Annual Audit</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>NCAA</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>WKAR (Radio and TV)</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>External Audits – Sponsored Programs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal A-133 - Plante Moran</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Federal Agency Audits (NSF, DOJ, USDA, USAID, etc.)</td>
<td>5</td>
<td>25</td>
<td>34</td>
<td>25</td>
</tr>
<tr>
<td>State Audits (MEDC, MDE)</td>
<td>6</td>
<td>12</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Foundation Audits (Kellogg, Gates)</td>
<td>0</td>
<td>4</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td><strong>Subtotal Sponsored Programs</strong></td>
<td><strong>12</strong></td>
<td><strong>42</strong></td>
<td><strong>46</strong></td>
<td><strong>30</strong></td>
</tr>
<tr>
<td><strong>Total Audits</strong></td>
<td>48</td>
<td>78</td>
<td>80</td>
<td>71</td>
</tr>
</tbody>
</table>
Compliance: Why is it Important?

- To protect MSU’s reputation
- Sustain a relationship of trust between sponsors and MSU
- Protect future research investment
- Avoid repercussions of non-compliance
- Withholding future awards.
- Audit findings and cost disallowances.
- Lawsuit settlements.
- Criminal, civil and/or administrative penalties and fines.
- Loss of administrative flexibility:
  - Automatic carryover
  - No-cost extensions.
Compliance: How do we comply?

- Establish and maintain policies and procedures
- Adequate systems
- Clearly defined roles and responsibilities
- Sufficient training
- Monitoring programs
- Sufficient documentation
- Understand Federal regulations and policies
Compliance: Who Monitors Compliance?

- PI’s!!!!
- Departmental and College Administrators
- CGA – Reviews and approves *some* expenditure transactions.
- Internal Auditors – Mission: “Assist University units in effectively discharging their duties while ensuring proper control over University assets.”
- Single Audit Auditors – Conduct our annual Single Audit
- Grant Officers of Federal Agencies – Review cost claims, financial reports and question expenditure items.
- Non-Federal Sponsors – Conduct audits of programs and projects.
- Inspector General – Conducts audits to detect and prevent fraud, waste, abuse and mismanagement of government programs and operations.
Thank you!

Contact Information
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