How to Manage Externally Funded Grants

PROJECTS - FUND CODE 501 or 502

- What is a Grant?
  - ❖ Funding that is coming from a source external to Wesleyan
  - ❖ Project conceived by the Investigator
  - ❖ Response to a solicitation (program announcement)

- Other Facts
  - ❖ Grants are awarded to the Institution, not the investigator
  - ❖ Receipt of grant funds varies by agency but most are on a reimbursement basis
  - ❖ Can be a collaborative effort between institutions
  - ❖ Grants are subject to annual audits to ensure the funds are being managed and spent properly. Unfavorable audit results can be costly to the University
  - ❖ In Smartkey Inquiry:
    Total Budget, PTD Actual Expenses, PTD Committed Expenses and Balance Available are cumulative if the project is funded for multiple years

- Life cycle of a Grant
  - ❖ Pre-award: Proposal & Budget Development and Submission
    WFS Internal Review and Approval - remember that all proposals must be submitted through WFS for internal review (workflow). The internal deadline is 5 days prior to the external proposal deadline. This much time is needed because the proposal must go through the offices of Foundation & Corporate Relations, Academic Affairs, Grants Accounting and Finance VP for approval.

  - ❖ Post-award: Award Notification to sponsor a proposal for a research project or program. Post-award covers technical & fiscal management, reporting, billing and audits.

  - ❖ Close-out: Includes documents such as Final Technical/Progress Report, Final Patent/Invention Report, and Final Financial Report. There are policies regarding Record Retention as well. A close-out milestone is an automated e-mail reminder set up in WFS to alert the PI/PD and AA that a grant is due to expire in 90 days. Any action needed is described in the e-mail.

When official notification of an award is received by grants accounting, a copy is emailed to the PI and Support Staff along with a copy of the grant proposal.

A. Award Notification: Elements of an Award Notice
   - ❖ Awarding Agency
   - ❖ Award Number
   - ❖ Recipient
   - ❖ PI/PD Name
   - ❖ Project Title
   - ❖ Funding Amount
   - ❖ Project Start/End Dates
   - ❖ Reports & Deliverables
   - ❖ Terms & Conditions

B. PI and Support Staff Action Steps:
   - ❖ Create a file
   - ❖ Review the award letter
   - ❖ Review the budget
   - ❖ Make note of the start/end date – this can also be found on the Project Tab in WFS inquiry
   - ❖ Make note of special terms and conditions
   - ❖ Make note of report due dates

C. New Smartkey:
   An award is generated and a smartkey is created in WFS by grants accounting and communicated to the PI and Support Staff. Grant smartkeys begin with Fund Code 501 or 502. Please note that a smartkey cannot be created in advance of an award letter. If there are allowable pre-award charges, they will need to be charged to a different smartkey and then journalled to the new smartkey once awarded.

D. Budget:
   A budget is entered into WFS by grants accounting for the amount of the award under the applicable Budget Item (category) as submitted and awarded by the Agency. **See schedule A** for a list of budget items. Please note that grant budgets cannot be transferred between budget categories because reporting needs to show how the funds were spent in relation to how they were budgeted.

The grant is now active.

- Technical Management of a Grant: The PI/PD is responsible for managing the research or program according to the scope of work, work plan, methodology, aims and goals presented in the proposal application.

- Although the PI/PD is responsible for the overall management of the award, Support Staff are responsible for monitoring the grant fiscally.

- **It is important to monitor your grant smartkeys frequently and to keep the PI informed of the fiscal state of their grant no less often than monthly.**

- **You should also be monitoring your grant smartkeys frequently in order to identify corrections that need to be made in a timely manner. Remember that Grants Accounting is preparing financial reports and invoicing sponsors based upon the information in WFS. It needs to be correct.**

- Institutional Policies: Grants must follow the same institutional policies that apply to all other smartkeys at the University. We cannot charge a grant for anything that we would not charge ourselves. Grants must also adhere to the same year end deadlines as other smartkeys as they are included in the University's financial statements and audit.

Fiscal Topics for Grants:

1. Expenses:

   As expenses are incurred please be sure it is a **reasonable, allocable and allowable** charge against the grant before it is submitted to workflow. For the Federal definition and further explanation of reasonable, allocable and allowable, please refer to Uniform Guidance at 2 CFR 200 https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02. , §200.403-200.405.

   Please note that Grants Accounting will review all expenditures on grant smartkeys during workflow. If it is determined by Grants Accounting that a charge does not meet the standards of being reasonable, allocable and allowable, the charge will be denied and sent back to the department. It will be the responsibility of the department to find another source of funds in order for the voucher/journal to be processed.

   Some grants are awarded for a specific purpose such as;

   Equipment

Conference
Participant Support
REU (Research Experience for Undergraduates)

Some common unallowable costs against federal grants are:

Alcohol
Airfare on a non US Air Carrier
Office Supplies
Postage

A complete list of unallowable costs against federal grants can be found at https://www.ecfr.gov/cgi-bin/text-idx?SID=b3f9e0a7301778762c31bc0326a221d0&mc=true&node=sp2.1.200.e&rgn=div6

2. Account Codes:

Be sure to use the account code that pertains to the expense on all smartdoc transactions. For PCARD transactions where accounts are assigned by the vendor, please review and make corrections where necessary. The list of Expense Account Codes can be found on the Finance web page at http://www.wesleyan.edu/finance/traininglist.html

Some Account Codes for Grants are:

Meals (82640): working meals where business is transacted is an allowable expense. The primary goal is dissemination of technical information.

Meals: (84530): We do not have a per diem for meals while on travel. Receipts are required for expenses greater than $20. If a meal was paid for with cash or credit card for less than $20 the exact amount of the meal must be recorded.

Miscellaneous (82450): avoid using

Equipment (85045): must meet definition of equipment. These charges are not subject to indirect cost calculation.

Participant Support: (83925) (stipends) and
Participant Subsistence: (83930) (room & board) - may or may not be subject to indirect cost calculation.

- Participant Support account codes should only be used for those grants that have budget for participant support.

3. Purchase Orders:

   Be sure to monitor encumbrances. Unused PO's or PO's that have not been fully released by a voucher reduces the available balance in the grant. PO's with balances older than six months are generally closed. This process helps to better reflect the available balance in the grant. Keep in mind PO's can still be reopened if needed and will continue to be closed on request.

   In order to see if there is an outstanding amount encumbered you should view all fiscal years by blanking out the fiscal year field in the Smartkey Summary Inquiry report and note the total encumbrance amount at the bottom of the report. Or you could go to the Grant Inquiry/Grant Summary report to see total encumbrances. You may also run a Pivot Table to find the PO's with outstanding balances. **See Schedule B for an example.**

4. Personnel:

   The Principal Investigator will direct you as to the personnel working on the grant. PI's are also responsible for submitting termination forms located under Forms in their e-portfolio.

   Know the personnel who are charged to the grant. You can review who is charged to a particular grant by running "Position/Earnings Inquiry".

   Commitment accounting changes: you can submit a "Position Commitment Accounting Change Form" under Forms in your e~portfolio.

   Salary and wage transfers: you can submit an "Earnings Redistribution Request Form" located under Forms in your e~portfolio.

   Please track your requests for commitment accounting changes and redistributions as often times the request may be too late to effect the nearest payroll cycle and the system does not go back retro-actively. Terminations should be monitored as well in Position/Earnings Inquiry to insure the employee is no longer being paid against the grant.

   Even though most grants are not on a fiscal year basis, you still need to follow the university policies and deadlines at year end for payroll. Redistributions for the previous fiscal year cannot be processed after the university deadline even if the grant is still active.

5. Subawards:

   Invoices are sent to the grants office and forwarded via email to Support Staff for processing upon the PI's approval. The PI is responsible for monitoring the expenses against the subaward budget. For more on the University's Subrecipient Monitoring Policy, see http://www.wesleyan.edu/finance/grants/SubrecipientMonitoring.html

6. Available Balance:

   Monitor smartkey balances frequently and no less often than monthly:

   At a glance: Run Smartkey Summary, Smartkey begins with "5" for a list of grant smartkeys in your department. View the last column for the balance available in each smartkey.

   Remember that the balance remaining includes Direct & Indirect Costs. If you are asked to get an approximate remaining balance of what is available to spend, you will need to back out the portion of the remaining balance you see in WFS that is for indirect costs. Please use the following formula:

   - Go to Wesleyan Menu/Wesleyan Inquiry/Grant Inquiry/Grant Summary
   - Enter the Smartkey for the grant you are working with and hit Search
   - Check to see if there are any Encumbrances or Budget Checked Amounts. If there are, you will need to calculate the indirect charges on these because the system will not calculate indirects until the expense has been fully approved.
   - Subtract this calculated amount from the Committed Balance Available to get your new Balance Available.
   - Take the new remaining balance available and divide it by 1 + the indirect cost rate (1.25 if the grant is using an indirect cost rate of 25%).
   - This is the approximate balance you still have available to spend on direct costs.

   See Schedule C for an example

   Run monthly reports for each grant smartkey for the PI and forward through e-mail or place a copy in their in-box.

   - Smartkey/Account Subgroup Summary for a snapshot of the budget, expenses and balance remaining as of today or
   - Budget vs. Actual for Summary and corresponding Detail as of a particular month end.

7. Rebudgeting/Reallocation:

   It is not uncommon for a PI to determine that he/she must rebudget funds in order to complete their research. Depending on the funding agency, expenditures in a single direct cost budget category can deviate (increase or decrease) from the original amount proposed and awarded in a budget period.

   For example, the NIH allows rebudgeting of up to 25% of the total costs awarded in a budget period. Greater than 25% is considered a change in scope of work and needs prior approval.

   The NSF does not allow rebudgeting of funds awarded for participant support costs without prior written approval of the Program Officer. Participant support costs must be accounted for separately. Otherwise rebudgeting is allowable provided there is no change in the scope of the work.

   Keep in mind that rebudgeting of direct costs affects indirect costs. For example, funds requested to purchase equipment (value ≥ $5,000) is exempt from indirect cost recovery. However, if the actual purchase value of the equipment is less than $5,000 indirect costs must be charged to the grant because this is considered minor equipment or supplies as it does not meet the definition of equipment in our Federal Rate Agreement.

   If you feel that you may need to request rebudgeting from the sponsoring agency, please contact Grants Accounting to discuss what the regulations are and what steps need to take place to submit the request. If accepted by the agency, Grants Accounting will update your budget to the new categories in WFS.

8. Cost Transfers:

   Cost transfers are also referred to as journal entries or journal vouchers. They allow for reassignment of costs (expenses) from one smartkey or one account to another. Transfer of expenses must be done on a timely basis, no later than 90 days from the date of the expense. It is important to note that when dealing with grants, the transfer cannot be a lump sum amount. You must identify the specific expense you are moving and provide a reason for the transfer. The amount and item must match the original charge.

9. Reports and Deliverables:

   Annual/Final milestone automated e-mail reminders are set up in WFS to alert PI's/PD's and AA's that a report is due. Review the due dates for Annual and Final Progress Reports and send a reminder to the PI. For example, annual progress

reports are due 60 days prior to the anniversary date for NIH and 90 days prior for NSF grants. In most cases, the grants office takes care of the financial reporting.

10. Deficits/Overages:

Balances remaining in the grant after the grant end date cannot be transferred to another smartkey. If expenses are identified that were charged to another smartkey in error within the start/end date and 90 days from the original charge and allowable to the grant then a journal voucher or journal may be submitted for approval.

Overages must be cleaned up by way of a journal voucher or journal to an allowable smartkey in a timely manner. It is the responsibility of the PI and support staff to find a funding source if the grant has been overspent.

11. Close-Out:

Common Terms Used: Final Technical Report, Final Equipment Report, Final Technology Report, Final Financial Report, Final Progress Report.

Make sure all centrally managed charges are stopped. For example PCH (Chemistry) journals and PIT (ITS) journals.

Make sure all position accounting changes are done. Either prompt the PI/PD to terminate an employee or use the Position Commitment Accounting Change Form under Forms in your e~portfolio to move an employee to another valid smartkey.

Record Retention- The University record retention policy is 7 years after the final payment or completion of all obligations under the grant or contract. But check the grant award document to make sure their policy doesn't require a longer period of time.

Once a grant is inactivated in a fiscal year it will no longer appear in your Query in the next fiscal year. Active/Inactive status can be found under the "Attributes" tab in Smartkey Inquiry.

12. Summary:

There is a shared responsibility between the PI and the support staff to manage a grant. Communication between these two parties is very important.

- Inform PI's of their financial status. Let them know if they are over-spending or under-spending. Make sure they are aware of what is being charged to their grant
- Remind PI's of reporting deadlines that are noted on the award letter.
- Familiarize yourself with allowable costs on grants

- ❖ Be aware when a grant is coming to an end and have a checklist of the things you need to.

13. The Audit and What You Need To Know:

The University undergoes a Federal and State audit every year. This audit is coordinated by the Grants Accounting office. During this time, you may be asked to provide documentation. This is why it is very important to remember the following:

- ❖ Make sure all your transactions are happening in a timely manner. The auditors will question why something is being journalled or redistributed 90 days or more after the original charge.
- ❖ Make sure all your transactions have the proper backup. This includes documentation on vouchers as well as proper backup for all journals. Proper backup would include a valid description of why the journal is being done. "To correct an error" is not a valid description.

Audits are to be taken very seriously. Ramifications of audit findings could be:

- ❖ A loss of funding from a federal or state agency in the future
- ❖ Return of funds to the sponsor for items deemed unallowable
- ❖ Grant expenses are also subject to IRS review. The IRS is looking specifically at travel and expense.
- ❖ Bad press of the University could have a negative impact on all activities.

GLOSSARY

Cost-Share: A commitment made by the University towards the total cost of a sponsored project. These costs represent actual expenditures above and beyond what a department is already spending on their operations. The use of existing university property or equipment does not represent cost sharing. See the Policy for Cost-Sharing on Sponsored Projects at http://www.wesleyan.edu/finance/grants/costsharing.html

Direct Costs: Costs that can be identified specifically with a particular sponsored project.

Examples of Direct Costs:

- Salary of the Researcher including fringe benefit costs
- Lab Supplies
- Travel
- Equipment*
- Subaward*
- Meals*

Effort Certification Reports: Federal requirements require certification of time and effort spent on a federally funded project by the PI/PD.

Equipment: An article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

Faculty Summer Salary: Payment for effort performed on the research or program over the summer months.

Fringe Benefits: Depending on the type of employee, there may be additional charges on top of salary dollars for fringe benefits. Fringe benefits include 7.65% for FICA, 7.35% for pension and **actual** medical/dental. If medical/dental benefits are not elected by the employee, then there is no charge to the grant. If medical/dental benefits are elected then the charge to the grant is based on the University's' cost of the elected monthly premium.

Indirect Costs (Budget Item FACADM): Also known as "Overhead" or "F & A" (Facilities and Administrative Costs) are costs that cannot be identified readily and specifically with a particular sponsored project but are "real" costs incurred such as office supplies, postage, utilities, library costs, sabbatical leave, administration, and administrative support salaries. Wesleyan's base is referred to as MTDC (modified total direct costs). This means indirects are calculated as a percentage of the direct costs less equipment and the amount of subawards greater than $25K.

Rate Agreement: The University's rate is established with the Department of Health and Human Services every four years. The current rate through 6/30/2026 is 59.6% of MTDC for on-campus research.

Not all sponsors allow indirect costs to be charged. For those who allow indirect costs, the rates can vary. Allowability and rate are determined in the pre-award stage when a proposal budget is being developed. The rate reflected in the awarded budget is also shown under the attributes tab in WFS Transaction Detail Inquiry reports.

Institutional Animal Care and Use Committed (IACUC): Oversight of Animal Research

Institutional Review Board (IRB): Oversight of Human Subject Research

No-Cost Extension (NCE): Extension of the end date of a project without additional funds.

Ploughback: The University has historically provided investigators with funding to continue their research during a period of time when external funding has become unavailable. This funding is called ploughback. The source of this funding is operating budget. The method by which ploughback funding is calculated is to take 25% of the amount of facilities & administrative costs that were charged to the investigator's external grants in the previous year. Ploughback is calculated once per year in August. Ploughback smartkeys begin with fund code 140. See Ploughback Policy at http://www.wesleyan.edu/finance/grants/ploughback.html

Principal Investigator/Project Director (PI/PD): The individual responsible for the overall grant.

PTD (Project-To-Date Expenses): Expenses charged from the beginning of the grant to date.

Sponsor: Source or Agency funding the project. This could include Federal, State, Local or Private sponsors.

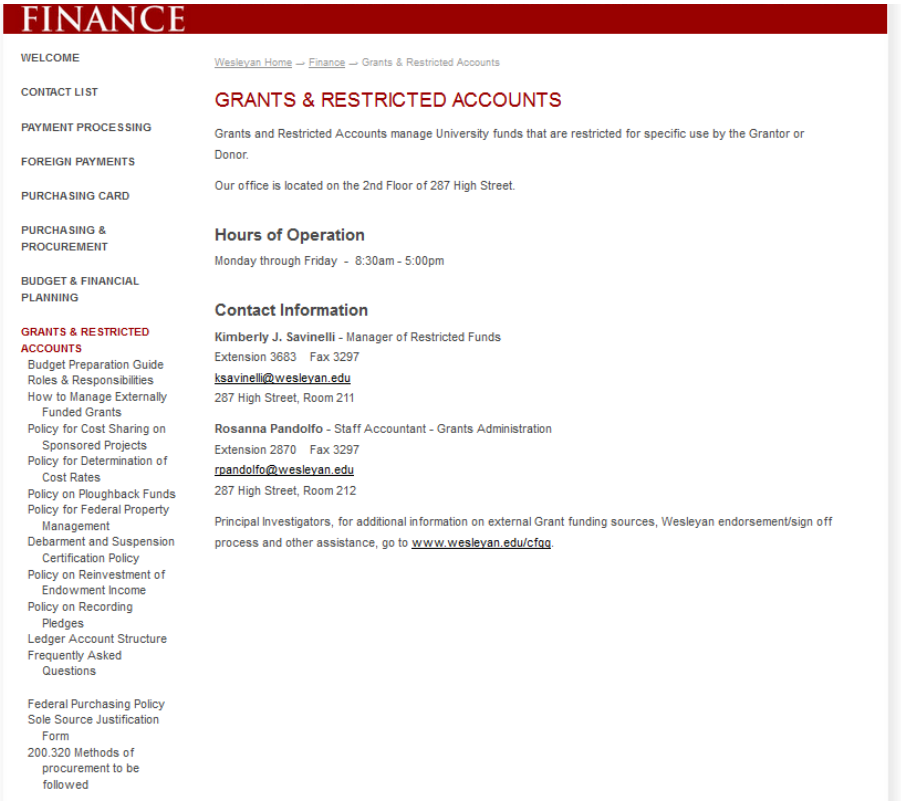
Stipend: A payment made to an individual usually under a fellowship or training grant or as a participant in a conference, workshop or summer research program for the individual's living expenses. A stipend is not considered compensation for the services expected of an employee. Stipends must be processed through Accounts Payable and are not subject to work-study credit.

Subaward: The formal mechanism for passing down a substantial portion of the research including the terms and conditions, scope of work, portion of the funding, etc. issued to the Lead Organization by the Sponsor. The institution receiving the subaward is called the subrecipient. It is the PI's responsibility to monitor the subrecipient.

YTD (Year-to-Date): Expenses charged in the current University fiscal year (July 1 – June 30)

RESOURCES

- Award Notification (letter, email, contract)
- Sponsor websites
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). https://www.ecfr.gov/cgi-bin/text-idx?SID=6f595c4bd89ba08739da0d990a331c15&mc=true&node=pt2.1.200&rgn=div5
- Finance website for policies and answers to frequently asked questions.



FINANCE

WELCOME

CONTACT LIST

PAYMENT PROCESSING

FOREIGN PAYMENTS

PURCHASING CARD

PURCHASING & PROCUREMENT

BUDGET & FINANCIAL PLANNING

GRANTS & RESTRICTED ACCOUNTS
- Budget Preparation Guide
- Roles & Responsibilities
- How to Manage Externally Funded Grants
- Policy for Cost Sharing on Sponsored Projects
- Policy for Determination of Cost Rates
- Policy on Ploughback Funds
- Policy for Federal Property Management
- Debarment and Suspension Certification Policy
- Policy on Reinvestment of Endowment Income
- Policy on Recording Pledges
- Ledger Account Structure
- Frequently Asked Questions

- Federal Purchasing Policy
- Sole Source Justification Form
- 200.320 Methods of procurement to be followed

Wesleyan Home → Finance → Grants & Restricted Accounts

GRANTS & RESTRICTED ACCOUNTS

Grants and Restricted Accounts manage University funds that are restricted for specific use by the Grantor or Donor.

Our office is located on the 2nd Floor of 287 High Street.

Hours of Operation

Monday through Friday - 8:30am - 5:00pm

Contact Information

Kimberly J. Savinelli - Manager of Restricted Funds
Extension 3683 Fax 3297
ksavinelli@wesleyan.edu
287 High Street, Room 211

Rosanna Pandolfo - Staff Accountant - Grants Administration
Extension 2870 Fax 3297
rpandolfo@wesleyan.edu
287 High Street, Room 212

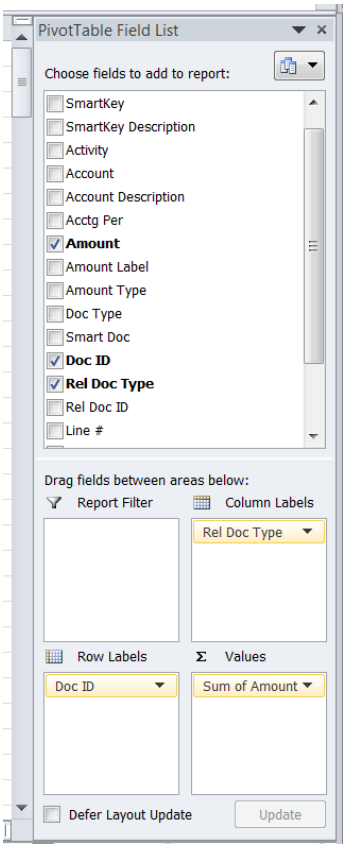
Principal Investigators, for additional information on external Grant funding sources, Wesleyan endorsement/sign off process and other assistance, go to www.wesleyan.edu/cfqg.

Schedule A

Budget Item	Description
ANIMAL_CARE	Animal Care Cost
BUS_MEALS	Business Meals/Recep
COMPUTER_SVCS	Computer Services
CONSLT	Consultants
COST_SHARE	Cost Share Revenue
DOTRAV	Domestic Travel
EQUIP	Equipment
EVENTS	Events
FACADM	Facilities and Admin
FACIL_RENTAL	Facilities Rental
FACULTY_ACADYR	Faculty Academic Year
FACULTY_SUMMER	Faculty Summer
FACULTY_VISITOR	Visiting Faculty Salary
FIXFEE	Fix Fees
FOTRAV	Foreign Travel
FRINGE	Fringe Benefits
GRADUATE	Graduate Student Salary
HONORARIUM	Honorarium
HOUSING_ALLOW	Housing Allowance
INPATI	Inpatient
MEMBERSHIP_DUES	Membership Dues
MINOR_EQUIP	Minor Equipment
OTHER	Other
OTPATI	Out Patient
OUTSIDE_SVC	Outside Services
PART_SUPPORT	Participant Support
PERSON	Personnel
POSTAGE	Postage
PROF_DEVELOPMT	Professional Development
PROF_SVCS	Professional Services
PUBLICATIONS	Publications
RENO	Renovations
SCHOLARSHIP	Undergraduate Scholarship
STPOTH	Stipend Other
STPRE	Stipends
SUB<25	Sub Contracts < 25000
SUB<25F	Sub Contracts < 25000
SUB>25	Sub Contracts > 25000
SUB>25F	Sub Contracts > 25000
SUPL	Supplies
TRNEXP	Traning Expenses
TRNTRV	Student Travel
TUITIO	Graduate Fee/Tuition Remissio
UNDERGRADUATE	Undergraduate Salary

Schedule B
Pivot Table Instructions for Open PO's

1) Go to Wesleyan Menu/Wesleyan Inquiry/Smartkey Inquiry/Transaction Detail
2) To gather data for your report:
    a. Blank out **Fiscal Year**
    b. Type in the **Smartkey** for the grant you are working with
    c. **Doc Type** should be equal to PO
    d. Click on the **Search** button
    e. Download your results to Excel
3) To summarize data for your report:
    a. Click on any cell in your downloaded report
    b. Click on the insert tab at the top of the page in the Tool Bar and then choose Pivot Table
    c. A Create Pivot Table Box appears with New Worksheet report selected. Click OK
    d. Now you will build your pivot table using the options on the far right hand side menu:
        - Drag **Doc ID** to **Row Labels**
        - Drag **Rel Doc Type** to **Column Labels**
        - Drag **Amount** to **Values**



When we look at Grant Summary, we can see that there are $2,005.93 of open PO's. Now our pivot table report will show us the detail that adds up to this same amount.

Grant Summary | Attributes

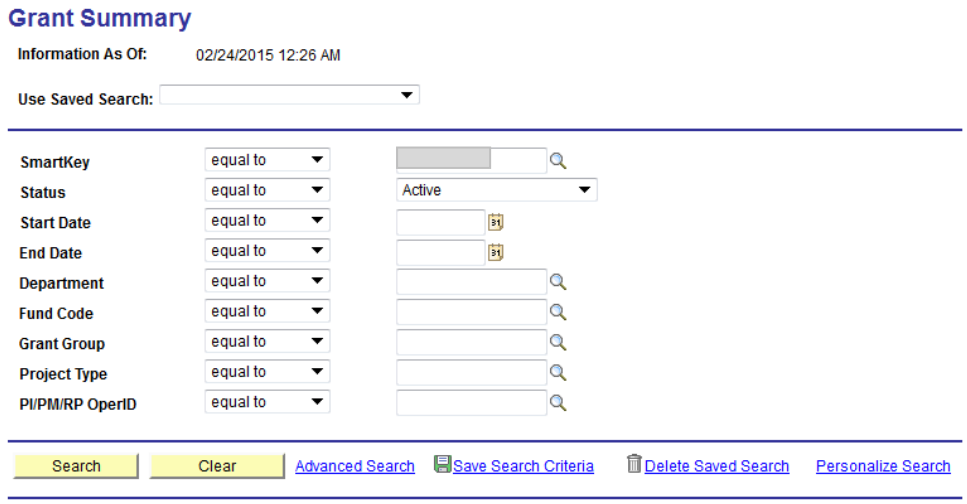
	SmartKey	Description	Budget Total Amount	Encumbrance	Budget Checked Amount	Actual	Project to Date Committed	Commited Bal Avail	% Spent	Actual Bal Avail
1			749,980.00	2,005.93	1,327.59	599,309.71	602,643.23	147,336.77	80.00	150,670.29

Your pivot table results will look something like this:

Sum of Amount	Column Labels		
Row Labels	**VOUCHER**	**(blank)**	**Grand Total**
0000011813	($371.50)	$371.50	$0.00
0000011841		$411.40	$411.40
0000011855	($597.58)	$597.58	$0.00
0000011877	($305.87)	$305.87	$0.00
0000011878	($581.00)	$581.00	$0.00
0000011943	($328.02)	$328.02	$0.00
0000012259	($251.00)	$251.00	$0.00
0000012261		$1,500.00	$1,500.00
0000012311	($289.00)	$289.00	$0.00
0000012327	($82.21)	$82.21	$0.00
0000012329	($264.35)	$286.73	$22.38
0000012392	($13.55)	$13.55	$0.00
0000012400	($365.23)	$430.25	$65.02
0000012443	($389.00)	$389.00	$0.00
0000012460	($45.32)	$52.45	$7.13
0000012548	($184.00)	$184.00	$0.00
0000012578	($328.02)	$328.02	$0.00
Grand Total	**($95,471.84)**	**$97,477.77**	**$2,005.93**

From this report you can see that the PO's that are still open are 11841, 12261, 12329, 12400 and 12460.

Schedule C



Help Document

Grant Summary — Customize | Find | View All | First 1 of 1 Last

Grant Summary | Attributes

	SmartKey	Description	Budget Total Amount	Encumbrance	Budget Checked Amount	Actual	Project to Date Committed	Commited Bal Avail	% Spent	Actual Bal Avail	End Date	PI/PM/RP OperID	Status
1		NIH	328,200.00	310.08	418.16	262,200.59	262,928.83	65,271.17	80.00	65,999.41	08/31/2015		Active

To find the remaining amount of **direct costs** available to spend:

- Add together the amount of encumbrances and budget checked amounts outstanding ($310.08 + $418.16 = $728.24)
- Calculate the indirect costs that will be charged to this amount ($728.24 X 0.641 = $466.80)
- Subtract this amount from the Committed Bal Avail to get your new updated Balance Available ($65,271.17 - $466.80 = $64,804.37)
- To determine the amount of Direct Costs left to spend, take your updated Balance Available and divide by 1 + the IDC rate ($64,804.37 / 1.641 = $39,490.78)
- The approximate amount of direct costs available to spend are $39,490.78