

Contracts and Grants Accounting

Business Process Updates When C&G Goes Live

RAC Forum
April 9, 2014

Project Update

- Go Live Date 07/01/2014
- Working with General Accounting to ensure year-end timelines are well understood and communicated
- Testing is in progress
- A cross-functional focus group consisting of staff from CGA, SPO, CSS-RA, CAOs and the C&G Project Team are building the training and communications materials



Future Business Processes

Award Setup

- Complete budget due at Notice of Award
- Include Cost Share budget
- Identify Program Income if known
- No spending until award is set up in BFS (inclusive of fund advance)

Award Management

- Identify journal entry transaction type
- Department contacts maintained by departments
- Accounts Receivable partnership
- Track Cost Share via CF1
- Identify and track program income

Award Closeout

- Award Termination Notification 90, 60, 30 days prior to award expiration date
- No-cost extensions requested no later than 60 days prior to award expiration date
- Only expenses recorded in the GL will be included in the Concurrence Report
- Subawardees/subcontractors submit final invoice within 45 days following award expiration
- Payroll transfers must be processed through the Payroll System
- Purchase orders must be closed before the Final Financial Report/Final Invoice date
- Overspending will be deficit cleared regardless of the dollar amount



Award Setup

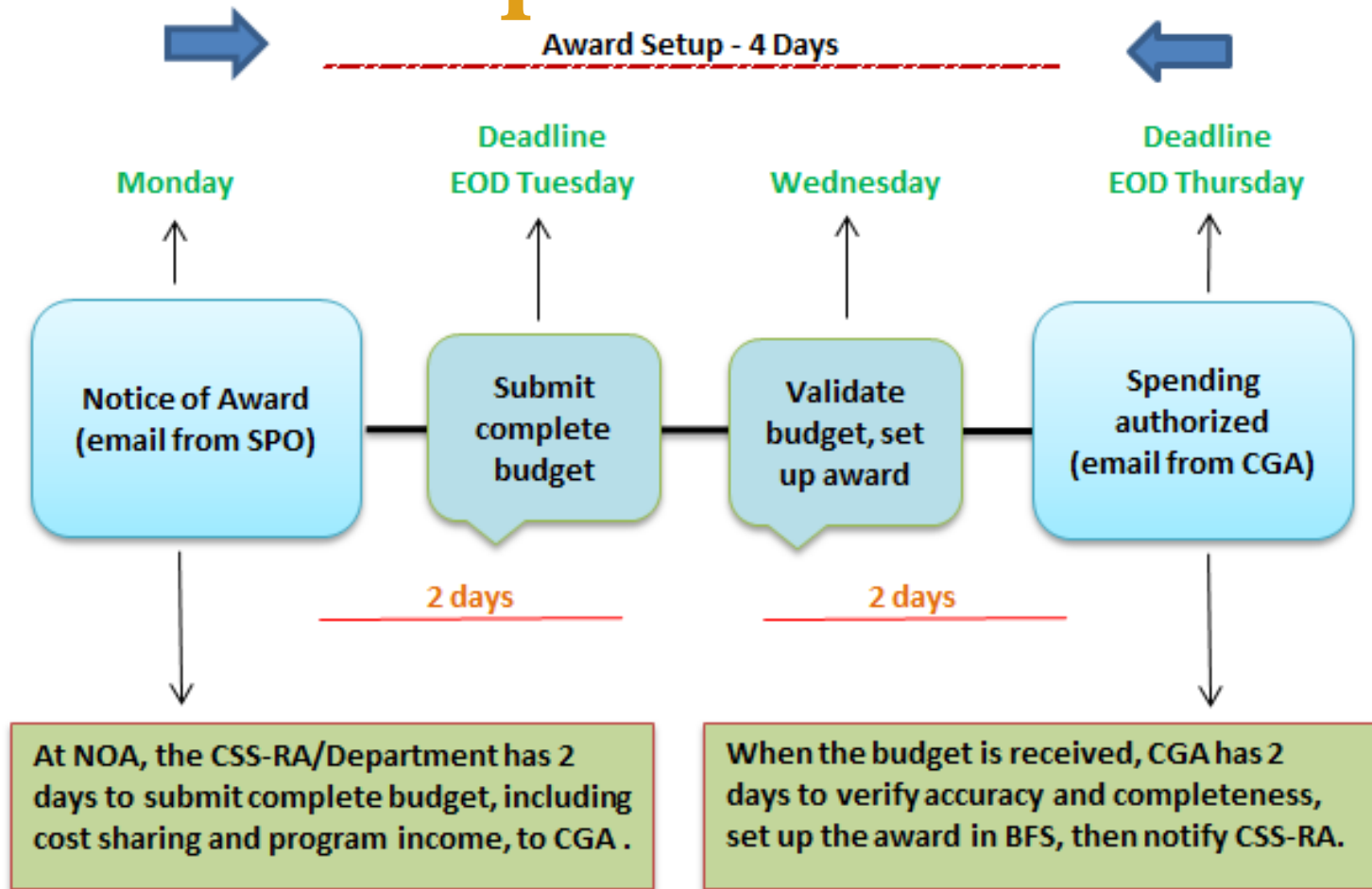
- **Submit complete budget at NOA**
 - Either summary or detail level, with complete Chart String for each expense category
 - CSS-RA/Department prepares and submits budget within 2 days
 - CGA verifies budget, sets up award within 2 days
- **NO spending until award is set up in BFS**
 - Even fund advances must be set up before spending



Award Setup

- **Include Cost Share in award budget at NOA**
 - CGA will establish a unique CF1 value beginning with a 2 for awards with cost share. This CF1 will be attributed as cost share and will have an attribute value of the SPO core award number
 - CSS-RAs/Departments will use this CF1 when submitting the cost share budget
- **Program Income will be identified at award setup if known**

Award Setup Flowchart



If the submitted budget is inaccurate or noncompliant, the award setup will be delayed.



Award Management

- **Identify journal entry transaction type**
- **Code cost-sharing transactions with correct CF1**
- **Code Program Income to the Account 45050 and the award fund**
 - Program Income must be tracked/managed according to sponsor's requirements (even if income was not anticipated in the original proposal)

Award Management

- **CSS-RA/Department maintains “Contact” information in BFS**

Contacts

SetID 10000 Department 10935 Description CEEEG RES Research

Department Contacts As Of Find | View All First 1 of 1 Last

*Effective Date 03/10/2014 *Status Active

Contact Details Find | View All First 1 of 2 Last

*Empl ID 010076225 Suzanne Pierce

Job Code 0555

*Location CAMPUS

BUSN

Email spierce@berkeley.edu

Approval Authority

Unlimited Threshold

Legally Bind Institution

Currency

Threshold Amount

Phone Personalize | Find | View All | First 1 of 1 Last

*Type Phone

Official Personalize | Find | View All | First 1 of 1 Last

Type Management Service Officer

Conversations | References | Attachments

SetID GM100 Business Unit GM100 Customer 0053 Description Samsung Electronics Co, Ltd

*States New

Description Incurred billing period

Subject AA ACTION REQUIRED Sub-Topic 12 Incurred billing period

Promise of Payment

Review

Date Review Days

User ID

Supervisor Review

Follow Up

Action

User ID

Letter Date

Reference Totals

Amount 0.00

Currency USD

Promise Date

Keywords

Keyword1 Keyword2 Keyword3

Add Conversation Entry

Conversation Entries Find | View All First 1 of 1 Last

Delete Entry Edit Entry

Date Time 11/15/13 12:00AM User ID BFSJVO

Origin Internal Customer Visible

Contact ID Send Email

Email ID Telephone Extension

Comments Per forwarded email. Please cancel our invoice 85606-250485, 04/08/13, \$50,000 and re-issue a new invoice with a current date.

- **CSS-RA/Department has access to view and maintain “Conversations” in BFS**
 - with CGA, manage Accounts Receivable activity



Award Close Out

- **Termination Notice sent at 90, 60, and 30 days**
- **Request no-cost extension no later than 60 days prior to award expiration date**
- **Only expenses posted to GL can be included in the Concurrence Report and invoiced**
 - Accrue non-payroll expenditures not in GL within 65 days
 - Process payroll transfers within 50-57 days
 - Provide Concurrence Report within 70 days



Award Close Out*

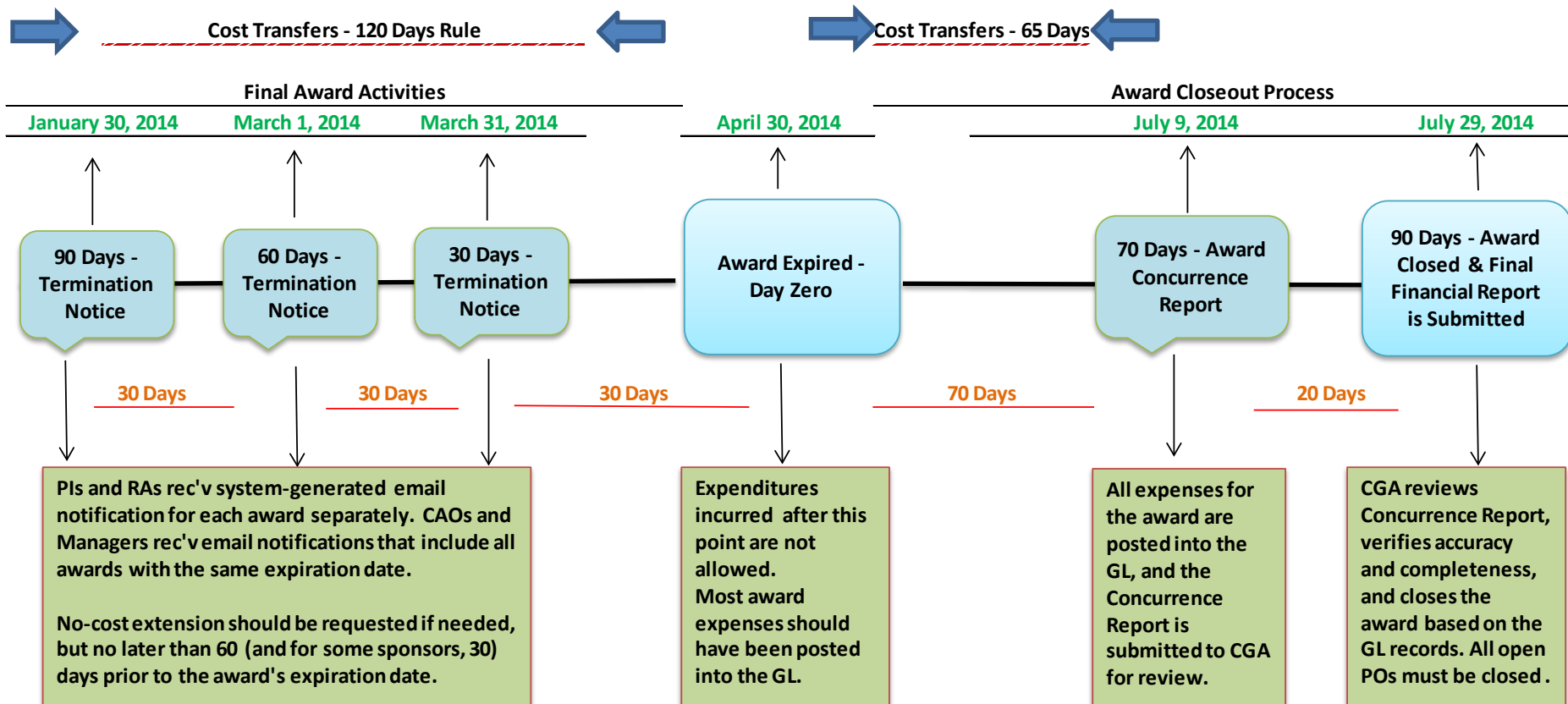
- **Subawardees/subcontractors submit final invoice within 45 days after Award Expiration date**
- **Payroll cost transfers through journal entries are not allowed**
- **Close POs before the Final Financial Report/Invoice due date**
- **Any overspending will be included in deficit clearing for the award, regardless of dollar amount**

***NOTE:** For awards that specify a less than 90-day closeout period, the Concurrence Report and subcontractor final invoice deadlines will be determined by sponsor and CGA requirements.

Award Closeout Workflow

effective July 1, 2014

(dates in green are example only)



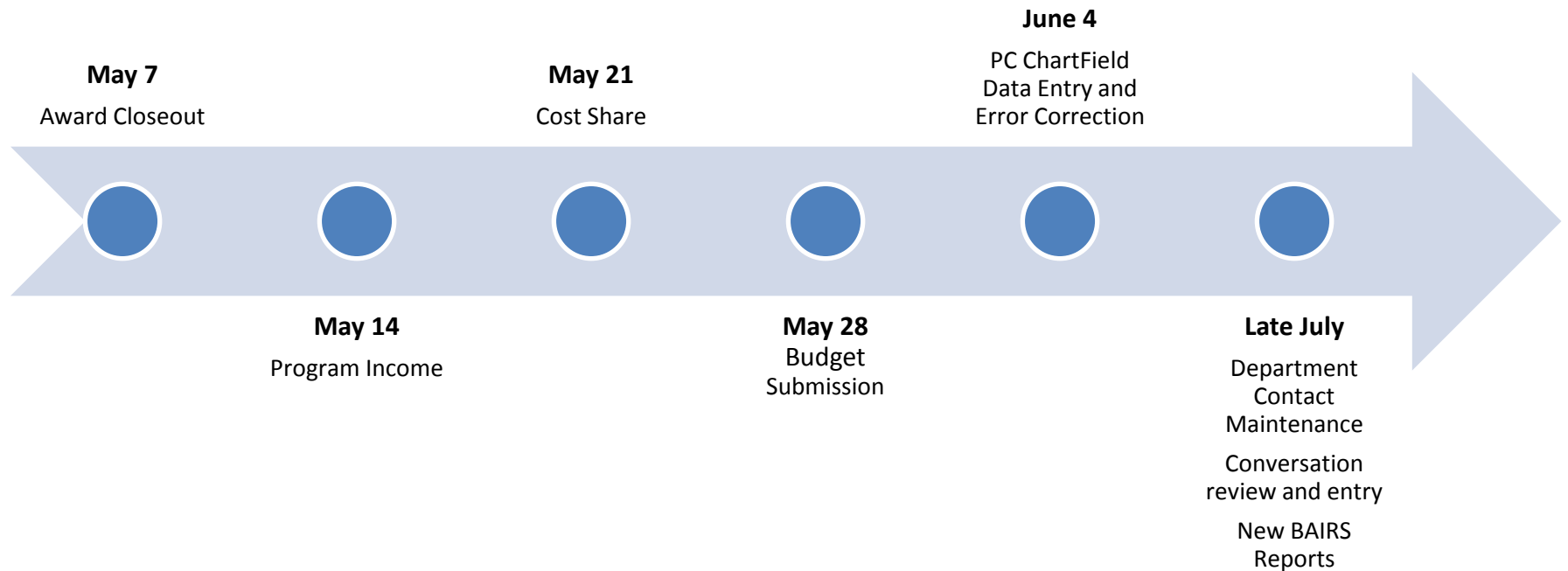
For awards that specify a less than 90-day closeout period, the Concurrence Report and subcontractor final invoice deadlines will be determined by sponsor and CGA requirements.

Training Audiences, Approach

- **Training audiences**
 - CSS-RA managers
 - Department Managers for departments outside of CSS-RA
- **Training materials**
 - Focus group of staff from CSS-RA, department managers, and C&G Project Team are building classes, videos and printable instructional materials
- **Training approach**
 - C&G Project Team will train managers, managers to train staff
 - Q&A mailbox
 - FAQ website postings, updated as training delivered



Draft Training Schedule

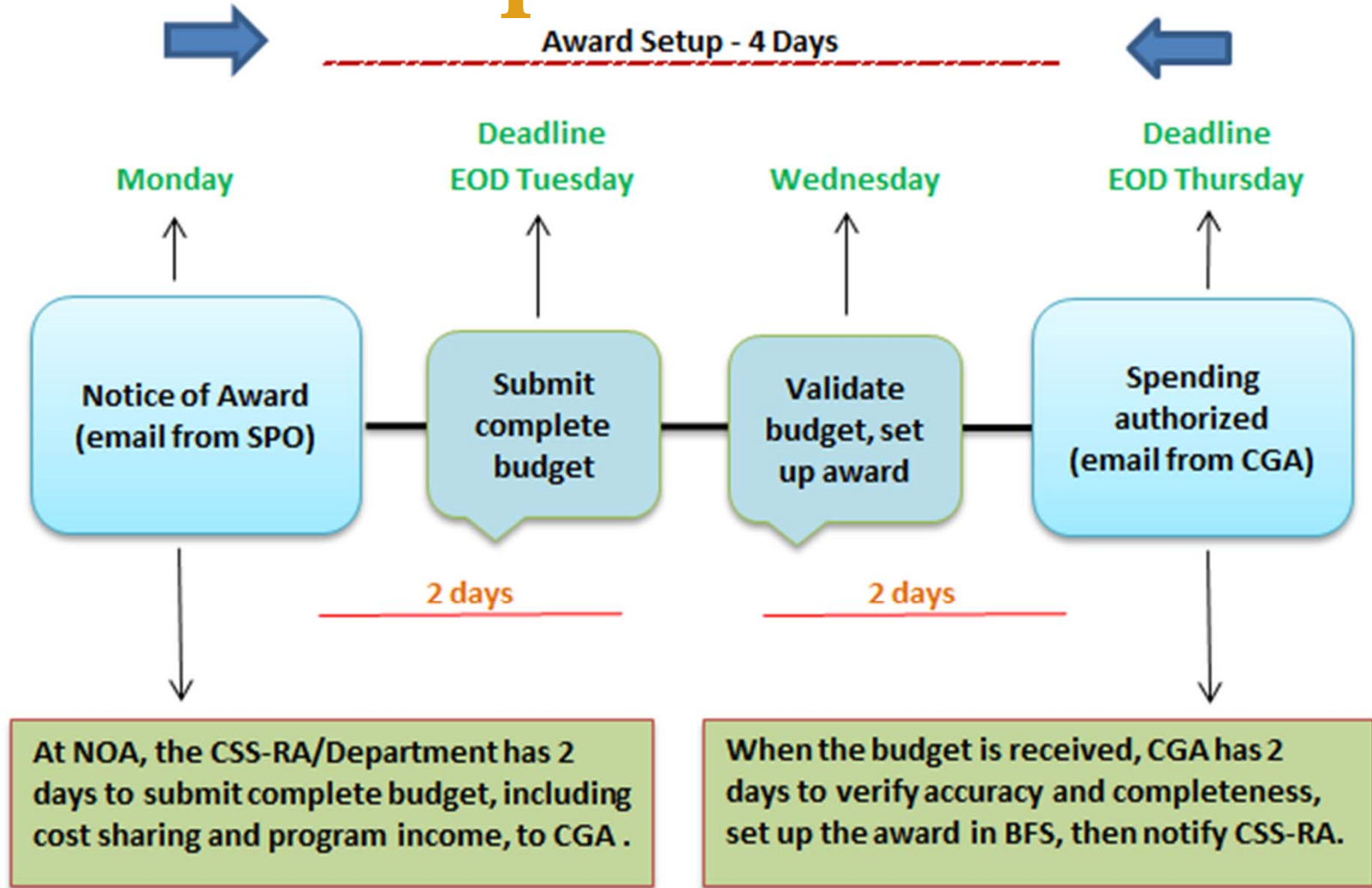


Contracts & Grants Implementation Project

[http://controller.berkeley.edu/departments/
contracts-grants-accounting](http://controller.berkeley.edu/departments/contracts-grants-accounting)

contractsgrants@berkeley.edu

Award Setup Flowchart

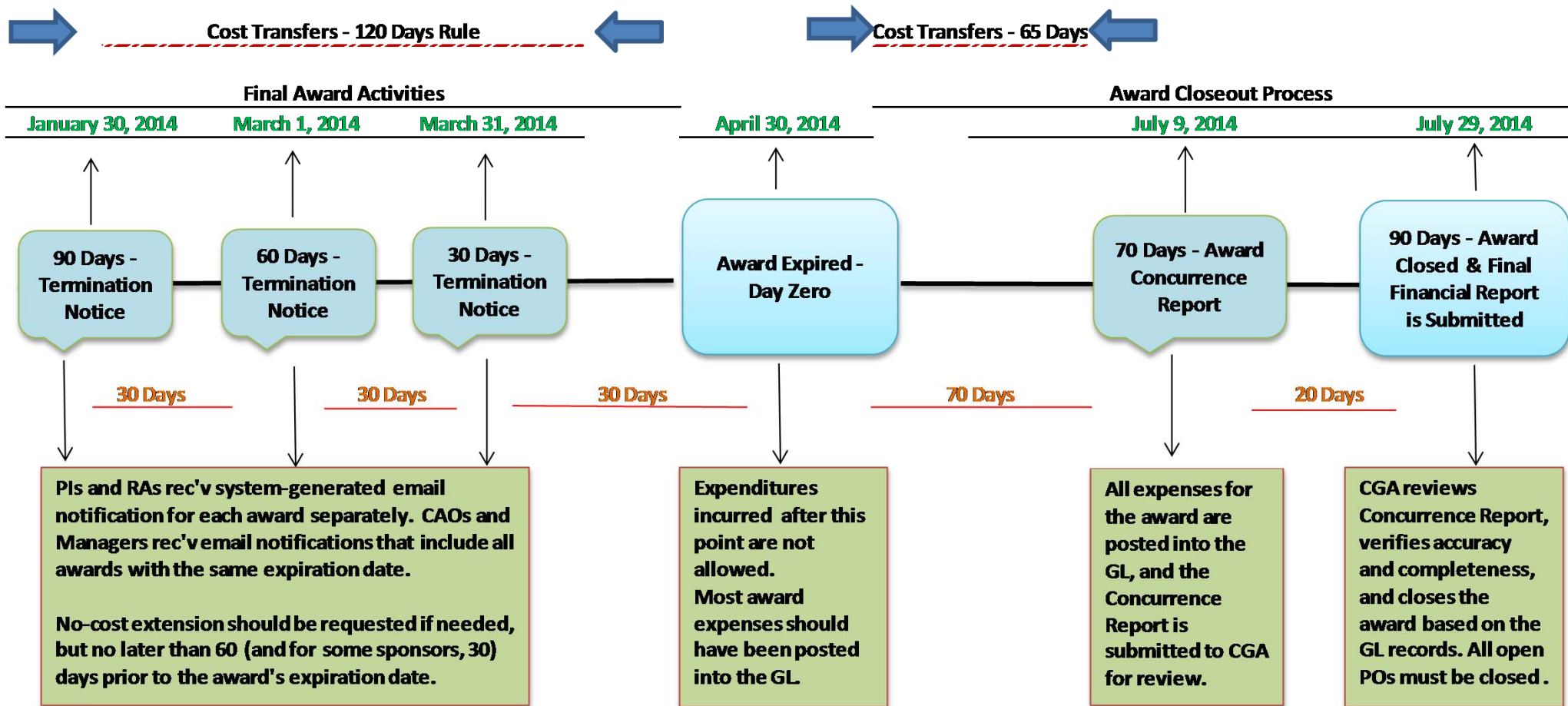


If the submitted budget is inaccurate or noncompliant, the award setup will be delayed.

Award Closeout Workflow

effective July 1, 2014

(dates in green are example only)



For awards that specify a less than 90-day closeout period, the Concurrence Report and subcontractor final invoice deadlines will be determined by sponsor and CGA requirements.

CGA Business Process Update -- Effective July 1, 2014

| | procedure | explanation |
|---|--|---|
| Award Setup | Budgets will be submitted at award setup | <p>Within 2 days of receiving the Notice of Award, CSS-RAs/Departments will prepare and upload an award budget (either summary or detail level) with a complete Chart String for each expense category. When the upload is received, CGA will have 2 days to verify the budget and complete the award set up in BFS.</p> <p>Note: The duration of the set-up period -- 4 days from NOA to completion -- has not changed.</p> <p>If the uploaded budget is inaccurate or noncompliant with the award terms and conditions, the award setup will be delayed.</p> <p>Subsequent budget re-allocation after setup is allowed.</p> |
| | Cost share budgets will be submitted at award setup | <p>A new, specific ChartField1 range -- values beginning 2xxxx -- has been established to budget and record award cost sharing. CGA will establish a unique CF1 value beginning with a 2 for awards with cost share.</p> <p>CSS-RAs/ Departments must use this CF1 when submitting the cost share budget. This will enable easier and consistent reporting and will provide a proper audit trail.</p> <p>The CF1 attribute "cost share" requires that an Attribute Value be selected from a pick list of award numbers (i.e., the six digit SPO core number). This attribute value further identifies and associates the CF1 with a specific award.</p> |
| | Program Income must be identified at award setup if known | Program Income must be identified and tracked to comply with federal guidelines and sponsors' requirements. |
| | Award spending is only allowed once the award is setup | Spending on an award is not authorized until the award set up in BFS is complete. This is true for fund advance set up as well (i.e., if a fund advance is authorized, no spending should occur until the advance is set up in BFS and CGA notifies the CSS-RA/ Department). |
| Award Management | Identify the type of transaction on journal entries | Journal entries should identify the type of transaction (i.e. cost transfers, deferral/accrual, etc.) as they are entered. |
| | CSS-RAs/ Departments maintain department contacts | Because they are most familiar with staff assignments, CSS-RAs and/or Departments will be responsible for maintaining the correct contact information in the Department Contact field in BFS to enable direct communication between CGA and the appropriate CSS-RA/contact. |
| | CSS-RAs/ Departments document conversations on open receivables | CSS-RAs/Departments will have access to view accounts receivable information and document details on the status of unpaid invoices in the conversation/note section of the CGA system. |
| | Notify CGA if supported activities will generate Program Income | If at any point it is determined that income will be generated by supported activity, the PI/RA/Department should notify CGA team and coordinate proper recording and reporting of program income. Code Program Income to the Account 45050 and the award fund. |
| | Use CF1 to identify Cost Sharing transactions | Use the award's unique Cost Share CF1 when coding transactions designated as cost sharing. |
| Award Closeout | Award termination notification sent at 90, 60, and 30 days before the award expiration date | PIs and RAs will receive email notices for each award; CAOs and Managers will receive notices that compile all awards with the same expiration date. These additional notices should provide adequate time to initiate final purchases, request the final invoice from sub-awardees, complete cost transfers and payroll transfers, and request a no-cost extension (if needed) before the award expiration date. |
| | Request no cost extensions 60 days before the award expiration date | A no-cost extension must be requested as soon as the PI determines the need for it, and in accordance to the sponsors' restrictions, but no later than 60 days prior to the award expiration date. This process will ensure compliance with federal guidelines and sponsors' requirements, as well as enable timely closeout of awards by CGA. |
| | Only expenses recorded in GL will be included in the Concurrence Report and final invoice | <p>In accordance with sponsor requirements and federal guidelines, only spending that occurs during the award budget period can be billed. Therefore all award expenditures identified on the Concurrence Report should be reflected in the GL. Expenditures not in the GL as of the award expiration date must be processed according to the following timelines:</p> <p align="center">CSS-RA/Departments to process payroll transfers within 50-57 days of the award expiration date CSS-RA/ Departments to process all non-payroll transfers, or accrue expenses, within 65 days of the award expiration date Concurrence Report provided to CGA no later than 70 days after the award's expiration date Exceptions to these deadlines will be handled by on a case-by-case basis</p> <p>Note: Current policy allows 120 days from the transaction date for cost transfers on an award. Although this period of time suffices during the life of the award, it does not align with the 90-day closeout period imposed by federal guidelines. Going forward, please process closeout cost transfers according to the schedule above.</p> <p>For awards that specify a less than 90-day closeout period, the Concurrence Report deadline will be determined by sponsor and CGA requirements.</p> |
| | Payroll cost transfers must be processed through the payroll system | Current policy requires that all payroll cost transfers be processed through the payroll system to ensure: 1) adequate payroll recordkeeping and proper audit trails, and 2) compliance with effort reporting requirements. In the future, supervisors who approve noncompliant payroll cost transfers through journal entries will receive an email requesting the entry be reversed and the cost transfer be re-processed correctly through the payroll system. Because this area was highlighted as a risk by the Audit and Advisory Services in a recent audit, an approver's access will be revoked if such noncompliant approvals continue. |
| | Subcontractors must submit final invoice within 45 days of the award expiration date | <p>Subawardees/subcontractors must submit their final invoice within 45 days of the award expiration so that CSS-RA/Department can close the award within the 65 day deadline. This will ensure adequate time for the invoice to be included in the Concurrence Report, and the award and PO to close by the Final Financial Report/Invoice due date (typically 90 days per federal guidelines).</p> <p>For awards that specify a less than 90-day closeout period, the subawardee/subcontractor final invoice deadline will be determined by sponsor and CGA requirements.</p> |
| | Close POs before the Final Financial Report/Invoice due date | Timely closing of POs ensures that: 1) no one can inadvertently voucher against the PO of an expired award, and 2) no open contractual obligations exist on closed awards. (For instructions on closing a PO in BearBuy, see the KnowledgeBase). |
| Any overspending will be included in deficit clearing for the award, regardless of the dollar amount | If any spending over the authorized award amount exists at the time of award closeout, that overspending balance will be included in deficit clearing and allocated to the Department's unrestricted fund. | |