

# Administering Non-Labor Expenditures on Sponsored Projects

Office of Sponsored Programs

# Overview

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**Where Innovation Is Tradition**

# Purchasing Goods & Services

- Sponsored projects often have budget restrictions
- Review award document for terms and conditions and award budget prior to charging expenditures
  - These will determine if costs are allowable on a particular award
- Determine if the costs are direct expenditures (DE) or indirect expenditures (IND)
- If there are questions whether an expenditure is allowable under a specific sponsored project, contact OSP
- Confirm transaction details with PI
- Initiate paperwork for charging appropriate fund(s) in a timely manner

# Sample Award Budget

## George Mason University - Proposal Budget Summary

Coeus Number: 0000

Proposal Number: 11

Proposal Title:

Investigator:

Sponsor: National Science Foundation

Period 1  
08/01/20  
to  
07/31/20

Travel - Domestic	Domestic Travel		\$2,250.00
Travel - Foreign	Foreign Travel		\$3,000.00
		<b>Subtotal Travel:</b>	<b>\$5,250.00</b>
Other Operating Expenses	Tuition and Fees	credits	\$7,830.84
	Graduate Student Health Insurance		\$2,472.00
	Tuition and Fees	ERF	\$120.00
		<b>Subtotal Other Operating Expenses:</b>	<b>\$10,422.84</b>
Equipment	Equipment Budget Pool		\$10,000.00
		<b>Subtotal Equipment:</b>	<b>\$10,000.00</b>



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# Sample PI Report Budget

PI	Grant	Fund	Project	Acct Pooled Budget Level		Funded Amount
	202	202	NSF/	70000	Other Direct Expenditures	3,000.00
				73400	Consulting Services	12,000.00
				73600	Subcontracts (25K or Less)	25,000.00
				73700	Subcontracts (GT 25K)	50,000.00
				73800	Travel	10,000.00
				76000	Equipment	15,000.00
				78500	Tuition and Stipend	3,500.00
				78525	Graduate Health Subsidy	2,500.00
				<b>Direct Total</b>		<b>121,000.00</b>
				79000	Indirect	26,000.00
				<b>Indirect Total</b>		<b>26,000.00</b>
<b>Total</b>						<b>147,000.00</b>

# Indirect Costs

# What are Indirect Costs?

- Also known as Facilities & Administrative Costs (F&A)
- Costs that are incurred for common or joint objectives
- Cannot be identified readily and specifically with a sponsored project, an instructional activity, or any other institutional activity
- Recovered as a means for reimbursing the University for administrative services and facilities that support sponsored projects

# Examples of Indirect Costs

- Salaries & fringe benefits for administrative staff
- Operation & maintenance costs (e.g., electricity, building repairs, equipment repairs)
- Office telephone
- Department printer
- Office Supplies
- Postage
- Books
- Membership Dues



# F&A Rates

- Rates negotiated on a three year cycle with the Office of Naval Research
- Current Rates can be found at <http://osp.gmu.edu/faratesfy1617/>

# Costs Excluded from F&A

- Tuition
- Subsidized Graduate Student Health Insurance (SGHI)
- Fellowships
- Participant Support (if approved by sponsor)
- Portion of any subcontract in excess of \$25,000
- Equipment over \$5,000
- Space Rental
- Sponsor specific items

# Indirect Calculation Sample

Pooled Budget Level	Pooled Budget Desc	Funded Amount	Expenses To Date	Commitments	Avail Amount
61100	Faculty Salaries	23,487.00	5,470.88	18,023.04	-6.92
61130	Faculty Special Payments	30,064.00	14,680.66	0.00	15,383.34
61190	Graduate Assistants	32,000.00	7,135.92	433.25	24,430.83
61900	Fringe Benefits	9,508.00	2,179.69	5,531.27	1,797.04
73400	Consulting Services	50,000.00	19,814.88	29,675.12	510.00
73800	Travel	8,400.00	5,849.00	0.00	2,551.00
73600	Subcontracts (25K or Less)	25,000.00	25,715.00	4,335.00	-5,050.00
73700	★ Subcontracts (GT 25K)	163,625.00	71,563.56	92,061.44	0.00
70000	Other Direct Expenditures	2,074.00	171.47	0.00	1,902.53
78500	★ Tuition and Stipend	23,700.00	9,870.00	0.00	13,830.00
		<b>367,858.00</b>	<b>162,451.06</b>	<b>150,059.12</b>	<b>55,347.82</b>
79000	Indirect	<b>82,142.00</b>	36,862.93	0.00	45,279.07
<b>Grand Total</b>		<b>450,000.00</b>	<b>199,313.99</b>	<b>150,059.12</b>	<b>100,626.89</b>

## Indirect Calculation

★ Total Labor & Direct Expenses	367,858.00
★ Items excluded from (Indirect) F&A	187,325.00
Adjusted Amount	180,533.00

(Indirect) F&A Rate	45.50%
(Indirect) F&A Costs	<b>82,142.00</b>

# Indirect Distribution Sample

- For a contract that generates \$10,000 in indirect, a typical on-campus distribution is as follows:

29.40%	University	\$ 2,940
34.30%	Provost	\$3,430
2.00%	BRL	\$200
17.15%	School/College/Institute	\$1,715
6.86%	Department/Center	\$686
10.29%	PI/Co-PIs	\$1,029

- The above % distribution may vary
- OSP will enter the distribution as approved on the proposal routing form

# When can an Indirect Cost be Charged Directly?

- Costs generally considered indirect cannot be charged directly to a federally sponsored project unless the following three criteria apply:
  1. The project has characteristics that make it one of “different purpose and circumstance”
  2. The cost can be specifically identified with the project with a high degree of accuracy
  3. The cost is identified in the budget and approved by the sponsor

# Direct Costs

# What are Direct Costs?

- Costs that can be:
  - Identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity
  - Directly assigned to such activities relatively easily
  - Assigned to such activities with a high degree of accuracy

# Examples of Direct Costs

- Salaries & fringe benefits for effort on award
- Equipment
- Travel
- Consulting services
- Lab supplies
- Publication costs
- Tuition
- Subsidized Graduate Student Health Insurance (SGHI)



# What can be Directly Charged to a Project?

- All four criteria must apply for a cost to be charged directly to a federally sponsored project:
  1. Allowable under both the provisions of Uniform Guidance and the terms and conditions of the specific award
  2. Allocable meaning it can be associated to a project with a high degree of accuracy
  3. Reasonable meaning it reflects what a “prudent person” would pay in like circumstances
  4. Consistently treated across the University in the same or like circumstances

# Steps for Charging DE

- Review the budget
  - Are there sufficient funds to make the purchase?
    - ✓ Check the fund's available balance and if not, a guarantee org will be needed
  - Is the purchase budgeted?
    - ✓ Check the budget and if not, determine if a rebudget (internal or sponsor) or prior approval from the sponsor is needed
    - ✓ Is the purchase allowable and allocable to the project?
    - ✓ Is it reasonable to make the purchase under the circumstances?
- Review the period of performance (POP)
  - Is the purchase within the award start and end dates?

# When is OSP Review Required?

- OSP provides a review/approval of the following direct expenditure transactions prior to being sent to General Accounting, Accounts Payable, or Purchasing:
  - Journal Vouchers (JV) greater than \$200 (Banner electronic JVs will route automatically to OSP)
  - Food and Beverage (F&B) Payments
  - Petty Cash Requests
  - Telecom Requests
  - Patriot Computers Purchase Authorizations greater than \$5,000 (Patriot Computers will route to OSP)
  - Purchase Orders (PO) greater than \$25,000 (eVA will route automatically to OSP)
  - Wire Transfer Requests greater than \$25,000
  - Tuition (Banner Workflow will route automatically to OSP)
- OSP will forward the documents to the appropriate office after review/approval
- Other transactions not listed are reviewed on a Post Audit basis by OSP

# What is reviewed by OSP?

- Available Funds (\$)
- Available Budget and Allowability (B)
- Period of Performance (P)

# Pre-Award Spending

- Some awards allow for pre-award expenditures to be charged directly
- If the award terms do not reference allowability of pre-award spending, contact OSP as a request will need to be made to the sponsor
  - Example: A major piece of equipment must be purchased prior to the award start date
- Should be noted on any paperwork submitted

# Tracking DE Cost Share

- Review award budgets for direct expenditure cost share
  - DE expenditures not charged directly to a sponsored project
- Confirm cost share expenditure with PI(s)
- Identify org where cost share expenditure is charged
  - Included on proposal routing form
- Submit paperwork or JV with activity code(s) to track expenditures associated with sponsored project(s)
  - Activity codes are assigned to sponsored projects during award set-up and included in OSP award letters
    - ✓ 00 followed by last four digits of fund number for federal award activity code
    - ✓ 99 followed by last four digits of fund number for non-federal award activity code

# Types of Transactions

# Transaction Codes

- **Fxxxxxxx** Chargeback
- **Ixxxxxxx** Invoice
- **Jxxxxxxx** Journal
- Encumbrances will show the 7 digit PO number



# Transaction Types


- eVA Purchase Orders & Invoice Payments
- Purchase Card Payments
- Payment Requests
- Wire Transfer Requests
- Honorarium Payments
- Petty Cash Requests
- Food & Beverage Payments
- Tuition
- Subsidized Graduate Student Health Insurance
- Scholarship Payments
- Fellowship Payments
- GMU Chargebacks
- Travel Reimbursements

# eVA Purchase Orders

- Most goods and services are required to be purchased via eVA, Virginia's electronic procurement system
- Review award document and budget prior to making purchases
- Ensure appropriate fund number and account code are used
- Remember to enter an activity code if purchase is to be cost shared
- Most purchases made through eVA integrate with Banner Finance and generate an immediate encumbrance
- See <http://fiscal.gmu.edu/wp-content/uploads/2013/10/eVAManual.pdf> for full GMU policies and procedures

# Invoice Payments

- Invoices are sent directly to Accounts Payable (AP)
- eVA PO number should be listed on the invoice for payment
- AP requests email certification of receipt or approval of payment
  - Confirm items were received and everything is correct including fund to be charged
- Once an invoice is paid, the PO encumbrance will be reduced by the invoice amount and posted as an expense in Banner

Summary by Fund		Labor Detail by Account		Labor Detail by Employee		Labor Commitments		Direct Expenses		
		<b>PI Report by Month Range</b>								
August 5, 20		Start Month:		End Month:						
Fund: 203		Org Desc: CCSA Grants & Contracts				Account Group L3: Direct Expenditures				
Pooled Budget Level:		Total: Total								
Pooled Budget Level ▲	Acct ▲	Document ID ▲	Transaction Date ▼	Transaction Desc ▲	Expenses Between Start and End Month ▼	Commitments Between Start and End Month ▼				
Consulting Services	73442	Research Consulting	I1	8/4/20	Research Consulting K.	6,000.00	(6,000.00)			
			22	7/23/20	Research Consulting K.	0.00	36,000.00			
			<b>Total</b>			<b>6,000.00</b>	<b>30,000.00</b>			
<b>Total</b>	<b>Total</b>				<b>6,000.00</b>	<b>30,000.00</b>				
<b>Total</b>					<b>6,000.00</b>	<b>30,000.00</b>				

# Purchase Card Payments

- Review award document and budget prior to making purchases
- Maintain a Monthly Purchase Log to track expenditures
- Ensure appropriate fund number and account code is used when allocating transactions in Bank of America Works and do so in a timely manner to avoid defaulting
- Remember to note an activity code if purchase is to be cost shared
- Maintain all back-up documentation for P-Card transactions (records must be maintained for 10 years when charging sponsored funds)
- See <http://fiscal.gmu.edu/wp-content/uploads/2013/10/PurchasingManual.pdf> for full GMU policies and procedures

# Payment Requests

- Designed to facilitate and expedite requests for payment in specific situations as listed on the form
- Review award document and budget prior to making purchases
- Ensure appropriate fund number and account code are used on the form
- Remember to note an activity code if purchase is to be cost shared
- See <http://fiscal.gmu.edu/wp-content/uploads/2013/09/pmmanual.pdf> for full GMU policies and procedures

# Wire Transfer Requests

- Request payment to foreign individuals or organizations
- Should only be requested when vendor does not accept any other payment methods
- Ensure the appropriate fund number and account code are used on the form
- See <http://fiscal.gmu.edu/accountspayable/use-international-wire-transfer/> for full GMU policies and procedures

# Honorarium Payments

- One time payment that is a token of appreciation
- Paid to an individual who is not a Mason employee or student for a special and non-recurring activity or event for which no payment is required
- There is no contract, the fee is not set or negotiated by the recipient, and cannot be paid to a third party
- Needs to be included in award budget
- Include a detailed description of service performed of the form
- See <http://fiscal.gmu.edu/accounts payable/process-honorarium-payment/> for full GMU policies and procedures



# Petty Cash Requests

- Payments made to research subjects for purposes of recruitment or encouragement for participation in the project study
- Needs to be included in award budget
- Use the Petty Cash Request Form and maintain a Petty Cash Expenditure Log to track disbursements
- Must have an active IRB (Institutional Review Board) Protocol associated with the project
  - Include approved protocol number on form
- Start and end dates for the petty cash funds must be within the award period of performance and within the approved IRB protocol dates
- See <http://fiscal.gmu.edu/wp-content/uploads/2013/10/pettycashProcedure.pdf> for full GMU policies and procedures



# Food & Beverage Payments

- “Business meals are not an allowable charge on federally sponsored funds.”  
University Policy Number 2102
- Provide detailed information on form for F&B to charge sponsored awards:
  - Purpose of event
  - List of attendees and their affiliation
  - Justification as to why F&B belongs on award
- F&B must be included in award budget
- See [http://fiscal.gmu.edu/wp-content/uploads/2013/09/FoodBev.Man\\_.pdf](http://fiscal.gmu.edu/wp-content/uploads/2013/09/FoodBev.Man_.pdf) for full GMU policies and procedures

# Tuition for GRAs

- Tuition can only be charged to an award when the associated Graduate Research Assistant (GRA) appointment salary is paid from the same award
  - If GRA is being paid from more than one funding source, tuition should be charged proportionally to the salary
  - If GRA appointment changes funding sources or is terminated, tuition charges should be moved accordingly
- Enter tuition request in Banner Workflow
  - Confirm GRA appointment in comments
  - Ensure correct term is used
    - ✓ 201570 Fall Semester
    - ✓ 201610 Spring Semester
    - ✓ 201640 Summer
- Tuition is excluded from F&A
- GRA may be eligible for in-state tuition rates
  - See <http://universitypolicy.gmu.edu/policies/in-state-eligibility-for-doctoral-and-mfa-students/> for full GMU policy and additional information

# Subsidized Graduate Health Insurance

- GRAs may be eligible for SGHI
- SGHI is charged proportionally based on where GRA appointment salary is charged
  - Posts when semi-monthly pay posts during the academic year
  - If GRA appointment changes funding sources or is terminated, confirm SGHI charges move accordingly
    - ✓ Only automatic during academic year, needs to be done manually over the summer
- SGHI is excluded from F&A
- See <http://provost.gmu.edu/graduate-student-health-insurance/> for full GMU policy and additional information

# Scholarship Payments

- Aid in the pursuit of the student's studies or related research
- No work component
  - Otherwise, must be processed through payroll
- Needs to be included in award budget
- Attach award letter provided to student outlining the scholarship to the Request for Scholarship Payment Form
- See <http://fiscal.gmu.edu/internationaltax/scholarships-and-fellowships/> for full GMU policies and procedures

# Fellowship Payments

- Pay externally funded fellowships to graduate students
- No work component
- A sponsored fund will be established
- Stipends and expenses that involve a student reimbursement will be processed through AP using the Externally Funded Fellowship Payment Form
- Tuition support provided as part of the fellowship should be processed through Banner Workflow
- See <http://fiscal.gmu.edu/wp-content/uploads/2013/12/EXTERNALLY-FUNDED-FELLOWSHIP-PAYMENT-FORM-Instructions-12-3-13.pdf> for full GMU policies and procedures

# GMU Chargebacks

- Several departments bill automatically
  - Bookstore
  - Facilities
  - Mail Services
  - Patriot Computers
  - Print Services (copy center, copy cards)
  - Telecom
- If there are questionable charges, contact the above department directly
- Review award document and budget to confirm that charges are appropriate as direct costs versus indirect costs

# Travel Reimbursements

- Review award document and budget to confirm if domestic and/or foreign travel is budgeted and allowable
- If sponsor pre-approval is required, contact OSP
- Ensure appropriate account codes are used depending on the location of the travel:
  - 73830 Airfare, Domestic – Except AK & HI
  - 73895 Airfare, Domestic – AK & HI only
  - 73894 Airfare, Foreign
  - 73890 Domestic Conferences
  - 73891 Foreign Conferences
- Note: 73893 Employee Training Travel should not be used for sponsored funds
- See <http://fiscal.gmu.edu/wp-content/uploads/2013/11/TravelManual.pdf> for full GMU policies and procedures

# Fly America Act

- When federal funds are used, provisions of the Fly America Act are applicable and foreign travel is restricted to a U.S. air carrier unless extenuating circumstances apply
- Exceptions should be reviewed and approved in advance by OSP
- See <http://osp.gmu.edu/financial-compliance/#FAA> for additional information



# Participant Support Payments

# What is Participant Support?

- Direct costs for items such as stipends, per diem, travel costs, and/or fees paid to or on behalf of participants or trainees in connection with meetings, conferences, symposia, or training projects
- Participant Support must be included in award budget
- May be included or excluded from F&A depending on the award
  - Refer to the award budget to confirm
- A separate fund will be set up for participant support costs on an award for accounting purposes

# Who is a Participant?

- A non-Mason employee who is a recipient of a service or training session associated with a workshop, conference, seminar, symposium, or other information sharing activity funded by a sponsored award
- Do not perform work or services for the project or program other than for their own benefit
- Not required to deliver anything or provide any service to the University in return for these support costs

# Participant Support Travel

- The appropriate account codes must be used and noted on the travel reimbursement:
  - 73865 Participant Travel Exclude from F&A
  - 73864 Participant Travel Included in F&A
    - ✓ Use for reimbursable domestic airfare, lodging, transportation to/from event, parking, subsistence allowances
  - 73867 Airfare, Foreign - Partic Excl F&A
  - 73868 Airfare, Foreign - Partic Incl F&A
    - ✓ Use for airfare for travel to/from a foreign country

# Participant Support Allowance

- Use the Request for Participant Support Allowance Payment Form
- The appropriate account codes must be used:
  - 78583 Participant Allowance Excl from F&A
  - 78584 Participant Allowance Included F&A
    - ✓ Payments to help defray personal expenses such as meals, incidentals and transportation costs incurred by a participant
- See <http://fiscal.gmu.edu/accounts payable/pay-participant-support/> for full GMU policies and procedures

# Participant Support Services

- The appropriate account codes must be used:
  - 73641 Participant Services Excl from F&A
  - 73642 Participant Services Incl in F&A
    - ✓ Use for exam fees, event registration fees, group (field trip) travel

# Participant Support Supplies

- The appropriate account codes must be used:
  - 74784 Participant Supplies Excl from F&A
  - 74785 Participant Supplies Include in F&A
    - ✓ Use for manuals, workshop materials (only those directly attributable to individual participants)

# Subrecipient Payments



# What is a Subrecipient?

- A non-federal entity that receives a subaward from a pass-through entity for the purpose of carrying out a portion of a federal award
- Creates a federal assistance relationship with the subrecipient
- Does not include an individual that is a beneficiary of such program
- May also be a recipient of other federal awards directly from a federal awarding agency

# Determining Who is a Subrecipient

- Characteristics which support the classification of the non-federal entity as a subrecipient include when the non-federal entity:
  - Determines who is eligible to receive what federal assistance
  - Has its performance measured in relation to whether objectives of a federal program were met
  - Has responsibility for programmatic decision making
  - In accordance with its agreement, uses the federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity
- Entities that include these characteristics are responsible for adherence to applicable Federal program requirements specified in the Federal award

# Subrecipient Process

- Identified in budget
- OSP will negotiate the terms of the agreement
- OSP will set up the encumbrance on the appropriate sponsored fund
- Subrecipient will invoice GMU
- PI will monitor work and approve invoices received
- Encumbrance will be reduced by the amount of the paid invoice

# How is Indirect is Charged on Subawards?

- Indirect costs are applied to the first \$25,000 of each subaward
- If a sponsored award has multiple subawards, each subaward will be charged indirect on the first \$25,000
- Amount over \$25,000 will not be assessed indirect
  - Example: Subaward A is for \$75,000
    - ✓ \$25,000 will incur indirect
    - ✓ \$50,000 will not be charged indirect

# Subaward Pooled Budget

▶ Pooled Budget Level	▶ Pooled Budget Desc	▶ Funded Amount	▶ Expenses To Date	▶ Commitments	▶ Avail Amount
▶ 61100	Faculty Salaries	222,951.00	180,328.64	6,856.75	35,765.61
▶ 61130	Faculty Special Payments	80,021.00	42,948.12	13,072.40	24,000.48
▶ 61190	Graduate Assistants	56,840.00	42,103.61	3,702.69	11,033.70
▶ 61300	Classified Salaries	25,000.00	11,544.93	0.00	13,455.07
▶ 61400	Wages	0.00	39,551.34	0.00	-39,551.34
▶ 61500	Other Personnel Payments	0.00	574.33	0.00	-574.33
▶ 61900	Fringe Benefits	78,622.00	54,938.98	2,104.33	21,578.69
▶ 73800	Travel	18,937.00	8,829.56	0.00	10,107.44
▶ 76000	Equipment	0.00	5,795.49	0.00	-5,795.49
▶ 73600	Subcontracts (25K or Less)	50,000.00	41,479.35	0.00	8,520.65
▶ 73700	Subcontracts (GT 25K)	110,000.00	115,000.00	20,000.00	-25,000.00
▶ 70000	Other Direct Expenditures	126,578.00	54,073.45	0.00	72,504.55
▶ 78500	Tuition and Stipend	0.00	16,340.00	0.00	-16,340.00
		768,949.00	613,507.80	45,736.17	109,705.03
▶ 79000	Indirect	285,984.00	206,745.67	0.00	79,238.33
Grand Total		1,054,933.00	820,253.47	45,736.17	188,943.36



Subaward A = \$100,000

Subaward B = \$60,000

- \$25,000 each in 73600 (indirect not charged)
- Remaining \$75,000 of A and \$35,000 of B in 73700 (indirect charged)

# Contractor Payments

# What is a Contractor?

- An entity that receives a contract, which is a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award
- For the purpose of obtaining goods and services for the non-Federal entity's own use
- Creates a procurement relationship with the contractor

# Determining Who is a Contractor

- Characteristics indicative of a procurement relationship between the non-federal entity and a contractor are when the non-federal entity receiving the federal funds:
  - Provides the goods and services within normal business operations
  - Provides similar goods or services to many different purchasers
  - Normally operates in a competitive environment
  - Provides goods or services that are ancillary to the operation of the federal program
- Entities that include these characteristics are not subject to compliance requirements of the federal program as a result of the agreement, though similar requirements may apply for other reasons



# Contractor Process

- Identified in budget
- Cannot be a GMU employee
  - See <http://fiscal.gmu.edu/wp-content/uploads/2013/09/IndependentContractorEvaluationForm.pdf> for full GMU policies and procedures
- Submit eVA PO and include required documentation
  - See <http://fiscal.gmu.edu/wp-content/uploads/2013/09/pmmanual.pdf> for full GMU policies and procedures
- Contractor will invoice GMU
- Encumbrance will be reduced by the amount of the paid invoice

# Journal Vouchers

# What is a JV used for?

- Correcting errors on posted transactions
- Transfer posted transactions from one funding source to another
- Reclassify posted transactions
  - Correct account code
  - Correct transaction description
  - Add activity code for cost share
- Expenditure recovery for services rendered between internal GMU offices


# Types of JVs

- Electronic via Banner (FGAJVCD)
- Paper found at <http://fiscal.gmu.edu/forms-and-instructions/>
  - Single Entry Form
  - Single Entry Form for Federally Sponsored Projects
  - Multiple Entry Form
  - Multiple Entry Form for Federally Sponsored Projects
  - Expenditure Recovery Form

# JV Process

- Fund or org and account code to be charged (debited/ +)
- Fund or org and account code to be relieved of charge (credited/ -)
  - Should match what is currently posted
  - Include original Reference (transaction code)
  - Include original Date Posted for transaction
- Remember to include an Activity Code if transaction is to be cost shared
- Include a transaction description that clearly states what the transaction is for
  - This is what will show in Banner
- Include a detailed explanation as to the reason the expense is being transferred
- If expense is transferred to a federally sponsored project, questions 1 & 2 must be answered

# Sample Single JV Form

		Send to General Accounting MSN: 4B2; Tel: 3-2637 Fax: 3-2920		<b>Journal Voucher to Transfer Charges</b>	
				Document # <input type="text"/> (General Accounting Use Only)	
<i>Instructions: Use this form to transfer non-payroll charges between "State" funds or orgs or between "Local" funds or orgs. Send a Payment Request to Accounts Payable for transactions that cross between State and Local funds or orgs.</i>					
<b>Fund or Org and Account Code to be Charged</b>					
Fund or Org:	<input type="text" value="1"/>	Account (Five digits):	<input type="text" value="73894"/>		
Activity Code: (Requires preapproval)	<input type="text" value="002"/>				
Amount:	<input type="text" value="500"/>	Hash total (Double the amount):	<input type="text" value="1000"/>		
Description (Maximum of 35 characters): <input type="text" value="John Miller airfare England- June research conference"/>					
<b>Fund or Org and Account Code to be Credited (Relieved of Current Charge)</b>					
Fund or Org:	<input type="text" value="222"/>	Account (Five digits):	<input type="text" value="73894"/>		
Activity Code: (Requires preapproval)	<input type="text"/>				
Reference:	<input type="text" value="10654789"/>	Cross reference to original paid voucher number, check number, purchase order number, etc.			
Date Posted:	<input type="text" value="8/12/20"/>				
Explanation (Reason to transfer charges): <input type="text" value="Airfare posted directly to sponsored award in error and discovered during reconciliation. Should be charged to department org and reflected as cost share as budgeted."/>					
Printed Name:	<input type="text" value="Jane Smith"/>	Requester Signature:	<input type="text"/>		
Telephone:	<input type="text" value="3-1234"/>	Email:	<input type="text" value="jansmith@gmu.edu"/>	MSN:	<input type="text" value="123"/>
Department:	<input type="text" value="C..."/>	Date:	<input type="text" value="9/20/20"/>		
OSP (If amount to be transferred is \$200 or greater and on a sponsored fund (2xxxxx): <input type="text"/>					





# Sample Multiple JV Form



Send to: General Accounting, MSN 4B2  
Tel: 3-2637; Fax: 3-2920

Journal Voucher Multiple Entry Form for  
Federally Sponsored Projects

Document # \_\_\_\_\_  
(General Accounting Use Only)

Instructions: Use this form for direct expenditure (non-payroll) transactions between "State" funds or orgs. Prepare a check request and send it to Accounts Payable for transactions that cross between State and Local funds or orgs.

Fund or Org to be Charged	Account (5 digits)	Activity (pre-approved)	Amount	Description (maximum of 35 characters)	Fund or Org to be Credited	Account (5 digits)	Activity (pre-approved)	Reference (if applic.) (8 characters max)
202	74410		150	Lab supplies- test tubes	202	74120		10123456 7/10/20
202	74410		80	Lab supplies- slides	202	74120		10654321 7/14/20
202	74410		210	Lab supplies- reagents	202	74120		10987456 7/29/20
		<b>Total:</b>	<b>440</b>	<b>Total times two (doubled):</b>				<b>880</b>

1. Why was this expense originally charged to the sponsored project or non-sponsored source of funding from which it is being transferred?  
Lab supplies posted to incorrect account code due to data entry error as discovered during reconciliation.

2. Why does this charge belong to the sponsored project to which it is being transferred? No change to fund, only correcting account code from office supplies to lab supplies.

Requestor Name: Jane Smith Signature: \_\_\_\_\_ Email: janesmith@gmu.edu

Department: Chemistry MSN: 123 Date: 8/15/20 OSP (if required) \_\_\_\_\_



# Sample Recovery JV Form



Send to General Accounting  
 MSN: 4B2; Tel: 3-2637;  
 Fax -2920

## Journal Voucher for Expenditure Recovery for Services Rendered

Instructions: Use this form for internal "sales" between "State" funds/orgs or between "Local" funds/orgs. Send a check request to Accounts Payable for transactions that cross between State and Local funds/orgs.

### Fund/Org and Account Code to be Charged (Office Being Billed)

Fund/Org: 222 Reference (optional): INV-1234 8/16/20

Account  
 (five digits): 73682

Amount: 200 Hash total (double the amount): 400

Description (maximum  
 of 35 characters): Events Mgmt conference set-up 8/16

### Fund/Org and Account Code to be Credited (Billing Office)

Fund/Org: 4

Account  
 (five digits): 73999

Explanation (description of services rendered): Events Management invoice payment for set-up for  
conference held on 8/16/

Certification: An invoice has been sent to the office being billed.

### Requester (Billing Office):

Printed Name: Jane Smith Signature: \_\_\_\_\_

Telephone: 3-1234 Email: janesmith@gmu.edu

Department: Events Management MSN: 123





# Sample Electronic JV

Journal Voucher Entry FGAJVCD

Document Number: J01 Submission Number: 0

**Journal Voucher Document Header**

Transaction Date: 27-JUL-20

Redistribute  
 NSF Checking  
 Defer Edit  
 Document Text Exists

Document Total: 2,000.00

Distribution Total:

Document Status: Incomplete

Create Source: Banner

General Text Entry FOATEXT

Type: JV Code: J01 Default Increment: 10

Text	Print	Line
1. Lab supplies temporarily charged to indirect	<input type="checkbox"/>	10
org while awaiting award to be fully executed and	<input type="checkbox"/>	20
set-up in Banner.	<input type="checkbox"/>	30
2. Award 202 was set-up in Banner on 7/20/20	<input type="checkbox"/>	40
and reagents were used in initial data analysis	<input type="checkbox"/>	50
for start of project.	<input type="checkbox"/>	60
Reference: I0321654 dated 6/29/20	<input type="checkbox"/>	70

# Sample Electronic JV

Transaction Detail FGJVC

Document Number: J01 Submission: 0 Document Total: 2,000.00

Status: Postable Sequence: 1 Journal Type: XSR Interfund Rule Code for CARS

COA	Index	Fund	Orgn	Acct	Prog	Actv	Locn	Project
1		202	1	74410	20100			

Percent: Amount: 1,000.00 Debit/Credit: Debit  NSF Override

Description: Lab Supplies- Reagents/JS Bank Code: 12 Deposit:

Encumbrance Number: Item Number: Sequence: Action: (None) Commit Type:

Document Reference: Budget Period: 01  Accrual Indicator Currency:

# Sample Electronic JV

Transaction Detail FGAJVCD

Document Number: J01 Submission: 0 Document Total: 2,000.00

Status: Postable Sequence: 2 Journal Type: XSR Interfund Rule Code for CARS

COA	Index	Fund	Orgn	Acct	Prog	Actv	Locn	Project
1		10111	1	74410	10100			

Percent: Amount: 1,000.00 Debit/Credit: Credit  NSF Override

Description: Lab Supplies- Reagents/JS Bank Code: 12 Deposit:

Encumbrance Number: Item Number: Sequence: Action: (None) Commit Type:

Document Reference: Budget Period: 01  Accrual Indicator Currency:

Journal Voucher Summary FGJVSUM

Document: J01 Submission: 0 Transaction Date: 27-JUL-20 Document Total: 2,000.00

Status	Sequence	Type	COA	Index	Fund	Orgn	Acct	Prog	Actv	Locn	Transaction Amount	Debit/Credit
Postable	1	XSR	1		202	1	74410	20100			1,000.00	Debit
Postable	2	XSR	1		10111	1	74410	10100			1,000.00	Credit

# Sample Correction

- Original charge on org then moved to fund via JV:

Account	Account Desc	Reference	Date	Description	Amount
74410	Lab Supplies	J01 [REDACTED]	07/27/20 [REDACTED]	Lab Supplies-Reagents/JS	(1,000.00)
74410	Lab Supplies	I0321654	06/29/20 [REDACTED]	Reagents	1,000.00

- Charge moved from org to fund:

Account	Account Desc	Reference	Date	Description	Amount
74410	Lab Supplies	J01 [REDACTED]	07/27/20 [REDACTED]	Lab Supplies-Reagents/JS	1,000.00

# Cost Transfers for Direct Expenditures

# Cost Transfer Policy

- Ensure compliance with federal policies and guidelines related to the transfer of expenses to federally funded sponsored projects
- Defined as a transfer of expenses to a federally funded sponsored project for a transaction previously recorded elsewhere
- All cost transfers must be approved by OSP
- See <http://universitypolicy.gmu.edu/policies/cost-transfer-policy/> for full policy details

# Reasons for Cost Transfers

- The federal government recognizes that there are instances when it is appropriate to transfer expenditures to a federally sponsored project if:
  - There is sufficient justification
  - The transfer is done in a timely manner
- Appropriate reasons include:
  - Allocate costs that benefit more than one project
  - Correct erroneously charged expenses
  - Transfer pre-award costs
- Should occur infrequently



# Cost Transfer Approval

- Cost transfers will only be approved in extenuating circumstances such as the following:
  - A new sponsored fund was created under the same sponsored award with concurrent budget periods and no restrictions on carryforward between funds
  - Award set-up delayed because of late award notice (transfer of costs incurred elsewhere need to be done within 60 days of the establishment of new fund)
  - Failure of another department or central office to take corrective action (submitting department should show documentation indicating continued follow-up efforts)
- The following are not considered appropriate extenuating circumstances:
  - Administrative oversight
  - Absence of PI or departmental staff
  - Shortage of staff
  - Lack of experience of staff



# Cost Transfer Form

- Form is not required if the transfer is 119 days or less from the original posting transaction date of the expense in the Banner financial system to the date JV is received in OSP
- Form is required if the transfer is 120 days or more from the original posting transaction date in Banner to the date JV is received in OSP
  - Form should provide a clear and detailed explanation for the cost transfer
  - Sufficient supporting documentation should be included

# Fiscal Year End Deadlines

- GMU fiscal year (FY) ends June 30<sup>th</sup>
- Controller will post a memo prior to fiscal year end with cut-off dates for processing cost transfers
- Transfers that involve direct expenditure charges incurred after the deadlines outlined in the memo will require prior approval from the Controller before processing
- OSP will review all prior fiscal year transactions that impact sponsored funds before submitting request to Controller
- Additional information and/or documentation may be requested for the prior fiscal year transactions (such as reconciliations)

# Best Practices

- Expectation that all PIs and responsible departmental staff charge the correct sponsored project initially
- The PI or designee with direct knowledge of the sponsored project must review and monitor the sponsored project on a regular basis to ensure:
  - Expenditures are charged appropriately
  - Errors are identified in a timely manner
  - Appropriate corrective actions are taken within the specified timeframe

# Monitoring Direct Expenditures

- Regularly review the direct expenditure transactions charged to each sponsored project
  - Is the amount and account code charged correct?
  - Are any transactions missing?
  - Do you need to move any transactions off of the sponsored project?
  - Confirm all JVs were processed
- Correct errors in a timely manner
- Monitor budget lines/balances

# Reconciliation

- Regular reconciliation and review/ monitoring of sponsored project expenditures will eliminate the chance for disallowed cost transfers
  - University Policy 2114 requires that all sponsored funds be reconciled at least every two months, but monthly reconciliation is strongly encouraged
  - See <http://universitypolicy.gmu.edu/policies/reconciling-departmental-and-sponsored-fund-accounting-records/> for full GMU policy

# Unacceptable Practices

- At no time should sponsored project funds be used as a holding account for charges that are known to belong elsewhere
- Not monitoring/reconciling projects
- Rotation of charges among projects
- Charging projects based on available budget
- Charging budget, not actual amount
- Charging projects in advance of when cost is incurred
- Charging indirect costs as direct costs
- Describing a cost as something other than what it is

# Questions?

## Contact:

Amanda Fucci-Bartoszek

Financial Manager

703-993-5409

[afucciba@gmu.edu](mailto:afucciba@gmu.edu)