

University of Kentucky College of Medicine Sponsored Research Administrative Services	Identification M-SRAS 011 Version 2		Contact: SRAS Manager
Standard Operating Procedure	Date Effective:	11/xx/2015	Page 1 of 10
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Non-Personnel Reconciliation Process for Non-Clinical Trial and Non-Cash Basis Sponsored Project Grants/Agreements (w/WBS elements)

Purpose: The purpose of this operating procedure is to clarify and define the roles of the Principal Investigator (PI), Department Staff (DA), and the SRAS Staff (Reconciler and Grant Analyst) in the reconciliation process, to ensure compliance with fiscal roles and responsibilities as contained in the University’s Business Procedures Manual, section [E-1-3](#), Fiscal Roles and Responsibilities as it pertains to sponsored project accounts known as WBS elements. (Specifically, Section D. of this procedure outlines the responsibilities of chairs, directors, and PIs who function as heads of units or projects.)

Further, Reconciliation is defined in the Business Procedures Manual [E-17-6](#): “A process that compares two sets of records to make sure they agree, and identifies and resolves differences. For the purpose of this policy, the comparison is between the supporting documentation maintained by the department and SAP system information.”

Introduction: Grants and contracts for sponsored projects represent a contractual obligation between the grantor and the University for the Performance of a specific activity through which the grantor, or sponsor, is entitled to receive some consideration or benefits. The contractual obligation is normally documented by a proposal and award combination, contract, or a written memorandum of agreement. The University assumes full legal responsibility for complying with all requirements imposed by the grantor or sponsor upon acceptance of grants and contracts for sponsored projects, including a requirement for a report of expenditures or a provision for an audit (refer to [AR 7:3](#), Policies and Procedures for Soliciting, Receiving, Recording, and Administering Grants and Contracts for Sponsored Projects. In turn, the College of Medicine must ensure its investigators (faculty, staff, post docs, students) are in compliance with all University and sponsor requirements related to a regular reconciliation process.

Procedure: To regularly reconcile non-personnel expenses on grant WBS elements.

1. A master list of active WBS elements is created to determine those WBS elements that will be reconciled for the stated accounting period. (See Appendix A for this process.)
2. The Reconciler will create a checklist (see Appendix B) for each WBS to be reconciled for their assigned departments/units, based on the list generated in step 1., completing the heading information and completing each step listed on the checklist, initialing each item as it is completed and making appropriate referrals to the Grant Analyst in the SRAS **via a shared issues list, labeled “1 Grant Discrepancy Master,” located on the SRAS shared drive, in the Post Award Folder.**
3. The Reconciler will generate and/or refer to the following transactions and reports for the WBS element to complete the checklist.

- a. SAP (real time financial system of the University)
 - i. GMAVCOVRW /UKDEFAULT variant -- To review for lightning bolts for non-budgeted or over spent sponsored classes or to determine if the overall grant is overspent.
 - ii. GMGRANTD -- For reconciliation cover sheet information.
 - iii. FB03 -- To search for any missing documents or backup not filed or found through usual means.
 - iv. S_ALN_01000003 -- For line item detail as needed if problems are not readily apparent from the BW line item detail. **MAY NOT BE USING THIS ROUTINELY, BUT LEAVE IT AS A POSSIBLE REFERENCE TRANSACTION???**
- b. BW – Grant Line Item Detail (Create for Line Item Detail for the month being reconciled)
 - i. Using the FI Ledger Sheets, Grants Management, Grant Line Item Detail option in BW, enter the following variables: Fiscal Period (being reconciled)/Year, Grant Number/s (either by department or inserting each number). Then, Execute.
 - ii. Drill Down – FI-SL Document Type – Select “All” except for “S” (these are Parked documents)
 - iii. Export the resulting report to Excel (Change file format to Excel, Delete header text, Delete Columns: Sponsored class and FI-SL document type)
 - iv. Save Excel file as name, Grant # LID month /yy
- c. BW (reporting tool used with University’s financial system; information is on a one-day delay)
 - i. PI Executive Summary -- To analyze items as noted on the checklist.
 - ii. PI Summary – To analyze grants ending and parked documents.
 - iii. Grant Line Item Detail – Transactions are reconciled against this.
4. The Reconciler will gather source documents to back up all expenses found on the transaction detail from available electronic files. If any item is only available in hard copy, then he/she will scan the item and file electronically per current prescribed guidance.
5. The Reconciler will compare these source documents to the system-generated BW line item detail report ensuring transactions have appropriate backup (see Appendix C for appropriate backup documentation), including PI (or delegate) approval as allowable, reasonable, allocable, and approved for the WBS. For each line item for which complete back up is located, the reconciler will initial and date each line. Missing items will be followed up on **one time WITH THE IBU AND/OR DA???** If still missing after <????> they will be noted on a shared master list of missing documents. This list will be shared
6. The Reconciler will sign the reconciliation **“Check List” (Appendix B)** document electronically.
7. The Reconciler will electronically sign and file the reconciled transaction detail, along with a

scan of the checklist for each WBS, by month by WBS in the FI shared folder as follows, noting the date of the reconciliation: Recon_MMDDYY_Complete. "Incomplete" will be added to the file name if documents are missing.

DRAFT

PI is responsible for:

1. Reviewing and signing monthly reconciliation or delegating another individual to perform this task.
2. Alerting the SRAS Reconciler to any concerns.

Dept./DA is responsible for:

1. Reviewing monthly reconciliations.
2. Alerting the SRAS Reconciler to any concerns.

SRAS Reconciler is responsible for:

1. Generating a master active grant list for the monthly reconciliation process.
2. Completing a checklist for each WBS.
3. Gathering source documents and comparing them with the line item detail, contacting IBU or department staff as needed.
4. Noting issues and missing documents via shared files with other SRAS staff for follow up.
5. Electronically signing and filing electronically the completed reconciliation check list with the LID attached on the FI shared drive by WBS, by fiscal year, by month.

APPENDIX A

- a. The assigned lead SRAS Staff Reconciler, on a regular rotating schedule, will, on the fifth business day of each month begin the process to reconcile active WBS elements.
- b. The Analyst will use the Master Data Index transaction in SAP, S_ALN_01000079 as follows: click on the "Dynamic Selections" icon, then from the "Grant Master" list, double-click and enter the dynamic selection of "Department." Enter 7H* and then click on the "Save" icon at the bottom of the screen (to capture all College of Medicine departments). Upon returning to the previous screen, add the life cycle status I5616, which reflects "awarded." Then, clicking on the green check mark to execute the transaction, a list of active grants is generated. Next, the Reconciler will export the file to Excel and save it on a shared drive. Any depts. not served by the SRAS (to be determined) will be filtered from the list, and then the list will be filtered by grant type to exclude H0, Human Clinical Trial (phases I and II) and HC, Human Clinical Trial (phases III and IV), and CB (Cash Basis.) (The reconciliation of these other types of WBS elements will be covered in another SOP.) This will serve as the active grant list for this reconciling process for the most recently closed accounting period.
- c. The Reconciler will save this list to the FI Shared Drive (! WBS Elements, Master Grant Lists, Fyyy folder) and to SRAS Shared drive.
- d. Each SRAS Reconciler will access the master list from the SRAS shared drive and filter out their respective WBS elements based on each of their assigned departments/unit, and add their lists, organized by SRAS Reconciler, as a separate tab on the master list/file. SOME DOING THIS DIFFERENTLY??

Required Back-up Documentation

Last officially updated 12/2/14-by COM FI/AP Functional Committee

SRAS additions highlighted in **YELLOW, 10/2015.**

PRD

- Approval Form (Procurement Form) or email with same information
 - Business purpose
 - Date item received
 - Appropriate approval signature
- Invoice OR other similar document provided it includes the following:
 - Date
 - Vendor name and address
 - Quantity of item(s)
 - Description of item(s)
 - Total Amount Due

SRM

- **TBD**

KMSF RFP

- An original receipt must be attached to receive reimbursement for any item.
- Internet purchases require printout showing payment, cost, and items.
- Must show the cost of the registration, dues, license fees, etc. if the event that the person requesting to be reimbursed made any payments.
- Copy of the syllabus, program, agenda or itinerary of the meeting or seminar **MUST** be attached for travel. Program (etc.) should show location, dates and title of meeting.
- Any expenses for travel including visiting professor's or faculty candidate's expenses must have an itinerary or agenda.
- Clinic travel must be indicated as such and schedules attached if available.
- Relocation expenses must include a copy of the offer letter and signed attestation statement if being reimbursed.
- Honorariums should include a memo from the department representative stating award amount, recipient information (W9), and business purpose.
- Reimbursements must have certification statement signed.
- Business purpose documentation must be included for all attendees at guest speaker dinners.
- In the event the original invoice is unavailable, the department must submit a written explanation along with a duplicate invoice copy.

<https://www.kmsf.org/Providers/Benefit%20Documents/Travel%20and%20RFP/RFP%20Guidelines.pdf>

Pro-card

- Procard Interface/Cover Sheet and Approval Form (Procurement Form) ~~or email with same information~~ with signatures
 - Business purpose
 - Date item received – noted on the procurement form or by including packing list
 - Appropriate approval signature
- Invoice OR other similar document provided it includes the following:
 - Date
 - Vendor name and address
 - Quantity of item(s)
 - Description of item(s)
 - Total Amount Due
 - If for a conference registration, a receipt or other documentation that includes a breakdown of the itemized expenses covered by the fee (per University's Procard guide).

Travel Voucher

- All travel costs associated with each trip and related back up, including procurement forms associated with any Procard-paid expenses and associated receipts, must be filed with the travel voucher, including any costs that were paid via Procard. (Registration, hotel, airline ticket, etc.)
- Airfare/Travel Agent Invoice
- Itinerary for trip
- Registration Fee – Itinerary/Agenda for conference (Per University's travel policy)
- Abstract Fee to present a poster
- Hotel Itemized receipt
- Other Travel – Parking, taxi, and any other costs (must comply with University Travel Policy)
- Chair or BP Exception include:
 - Approved absence record
 - Screen shot of SAP leave entry

Purchase Order (for items other than a subcontract)

- Approval Form (Procurement Form) ~~or email with same information~~
 - Business purpose
 - Date item received
 - Appropriate approval signature
- Quote
- Goods receipt

Purchase Order (for subcontract/subaward/consortium agreement/personal service contract)

- Vendor Invoice and Credit Memo Transmittal Form
- Invoice from subcontractor w/PI or delegate's signature approving for payment

Publication Fees

- Approval Form (Procurement Form) ~~or email with same information~~
 - Business purpose
 - Date item received
 - Appropriate approval signature
- Invoice
- ~~Acknowledge information related to grant support (expect to see a title similar to the grant)~~

Student Payment Voucher

- PER CURRENT BPM, THIS FORM NO LONGER EXISTS. THE PROCESS IS COVERED via the generation of a PRD, with an attachment, "Payment on Behalf of Student" (PBS) form. See PRD guidance above for required backup.

Disbursement Request Form

- TBD – this form doesn't have an actual business purpose stated and doesn't have the standard College certification statement (as approved by SPA) that satisfies appropriate allocability for the charges to be made to the grant.

Maintenance & Repair

- Approval Form (Procurement Form) ~~or email with same information~~
 - Business purpose
 - Date item received
 - Appropriate approval signature
- Invoice – signed by PI/DA/Lab Manager to confirm work was completed

Internal Charges

- DLAR
 - ~~eSeris Green sheets or DLAR invoice~~ (received monthly from Janet Osborne)
- STEPS
 - Invoices (can request from Kathy Chinn)
- Parking
 - Verification of stamp number on JV
- Stores
 - Must have Packing Slip
- Motor Pool
 - Invoices -- retrieve on-line
- Post Office
 - Invoices – request from Kim Watson
- PPD
 - Verify in SAP
- Materials Management
 - Verify in SAP
- CNS
 - TBD
- Security (ID Badges)
 - TBD
- HR (Background checks)
 - TBD

APPENDIX B

Revised 10/2015

WBS	Bud Rule	PI
Date of Reconciliation	Sponsor ID	Approved By
Reconciliation Month	Reconciler Signature	Approver Signature
Department name and #	Budget End Date	Project End Date

Prioritize by grant project period end date – so those ending first get taken care of first.

Line Item Detail

_____ Check that G/L code is appropriate for the charge(s) on the line item detail report.

_____ Check that there is appropriate documentation for each charge per SOP.

_____ Salary charges only

_____ No charges

Review GMAVCOVRW

_____ Put lightning bolt items in Comments box below and on Issues list w/brief description. Add if a new item (occurring for the first time) and confirm it's on the list if a repeated issue. Note if it was added to the issues list previously. **If it was on the list previously, and there are no analyst comments, email the analyst and cc: SRAS Manager.**

Review BW Grant Ledger

_____ Overall grant is overspent – put on analyst issues list.

_____ Zero budget sponsored classes with expenses – put on analyst issues list

_____ Budget overages in any sponsored class – put on analyst issues list.

_____ Budgeted sponsored classes with no expenses – put on analyst issues list.

_____ Check that Post-docs or students charging the correct GL's—depending on sponsor or grant type, stipend vs. salary – put on analyst issues list if appears incorrect.

G/Ls trainee tuition 537030 and fellowship trainee stipend 537010, both sponsored class E537030, should only appear on fellowship or training grants.

_____ Overtime charging the grant – put on analyst issues list.

_____ F&A -- Check rate on PADR and enter it here: _____

Items in the budget that were excluded from F&A (check all that apply):

Equipment

Subcontracts

Rent

Review balance remaining – put on analyst issues list if doesn't correspond.

Is grant appearing on the list for the first time?

Is there a cost share commitment?

Is it faculty effort or F&A cost share only?

Check PADR, OSPA database, or GMGRANTD. Cost shared expenses – confirm for any non-personnel expenses that they are being incurred in relation to the commitment in the OSPA database. Reconcile same as other expenses.

Is the Grant in the first two months into the budget period?

If yes, if no expenses have been incurred at all, put on the issues list and highlight in yellow for analyst's immediate attention.

If yes, is equipment budgeted?

Cost thresholds:

Equipment, E550000, \$2000 or greater **SHOULD BE \$5000 OR GREATER**

Computing Hardware, E550010, \$1000 or greater

If yes, is a subcontract budgeted?

_____ If yes, check subcontract budget line – Look for an associated encumbrance.

If none appears, put on analyst issues list

_____ If yes, there should be a purchase req. encumbrance by this time frame. If not, put on the issues list.

_____ **Monitor rate of expenditure on subcontract line. By second month following encumbrance appearing, is their evidence of invoices being paid? Is encumbrance amount going down? If not, put on analyst issues list.**

Is Grant within the last 90 days of the **budget** period end date as appears in GMGRANTD?

_____ If yes, if 25% of the current year's funding remains in the overall budget (check via the OSPA database), put on issues list for analyst follow up.

_____ If yes, if there has been a subcontract budgeted, put on issues list for analyst so they can follow up regarding the continuation of the subcontract and if an amendment is needed.

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Is grant within the last 90 DAYS of the **project** period end date the OSPA database?

_____ If yes, check if there are any outstanding POs or other encumbrances to be liquidated – put on analyst issues list.

_____ If yes, if there has been a subcontract budgeted, and associated expense activity put on analyst issues list to check on status of the final invoice, liquidating any remaining funds on the PO, and/or rebudgeting.

_____ If yes, if 25% of the total budget amount remains in the overall budget, put on issues list for analyst follow up.

Comments: