

**AUSPAN**

AUBURN UNIVERSITY SPONSORED PROGRAMS  
ADVISORY NETWORK



# CONTRACTS AND GRANTS ACCOUNTING



## POLICY UPDATES

June 12, 2017

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## BACKGROUND

- One 30+ page policies/procedures document revised and separated into 8 individual policies
- Drafts shared with various constituent groups in Fall/Winter 2016
- Policies approved and adopted in April 2017

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## WHERE CAN I FIND THEM?

- AU policy database
- Business and Finance website
- Contracts & Grants Accounting website
- Office of Sponsored Programs website



## ADMINISTRATIVE FIELDS

Academics

Administrative

Auxiliary Services

Communication & Marketing

Development

Employment

Enrollment Services

Facilities

Financial

Information Technology

Institutional Research & Assessment

Outreach

Public Safety & Security

Records

Research

Risk Management & Safety

Student Affairs

Trademark Management & Licensing

## AUBURN UNIVERSITY POLICY DATABASE



This website contains official University Policy documents that have been adopted in accordance with [Auburn University's Policy on Policies](#). The process for adopting and revising University Policies is coordinated through the [Office of the General Counsel](#).

### University Policies:

- » Apply "university-wide" and pertain to more than one division of the University;
  - » Enhance the mission of the University;
  - » Require an Executive Officer's review and approval for University Policy adoption and revisions;
  - » Contain procedural guidelines to inform, constrain, and govern the University;
  - » Help ensure compliance with applicable state and federal laws and regulations;
  - » Capture management decisions and provide a record of University operations;
  - » Promote operational effectiveness and efficiency and reduce institutional risks; and
  - » Control in the event of conflict with college, school, department, division, or unit level policies.
- » **If a policy fits the criteria above , it is a University Policy.**
- » **If it does not, it is Unit-level Policy.**
- » **Only the policy documents housed in the University Policy Database carry the full force of the University.**

**\*NOTE:** University Policy documents are not contracts. The [Auburn University Board of Trustees](#) and authorized Executive Officers of the University maintain exclusive discretion to exercise the customary functions of institutional management to revise University Policies as they deem appropriate. This Official Policy Database was designated by the administration as the official University policy source on October 15, 2009, and that action ratified by the Board of Trustees on June 10, 2016.



**VP Business & Finance and CFO**

Budget Services

Cash Management

Contracts & Grants Accounting

Controller

Human Resources

Information Systems Support

Procurement & Payment Services

Property Services

Student Financial Services

**Business & Finance**

Policies and Procedures

Archive Annual Reports

Archive Financial Reports

Business & Finance Forms



**Our Mission**

Business & Finance provides leadership in the development, implementation, and continuous improvement of the business and financial services essential for Auburn University to pursue its mission of teaching, research, and outreach. Services are provided for students, faculty, staff, and various external constituencies. Services include:

- » Procurement
- » Billing and Collections
- » Disbursements
- » Asset Management
- » Employee Benefits
- » Information Systems

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[How to find us...](#)

**Staff:**

[Jennifer Lashley,](#)  
Executive Secretary

<b>Business &amp; Finance Department Contact/Title</b>	<b>Phone Office/Fax</b>
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<b><u>Contracts and Grants Accounting</u></b> <u><a href="#">Larry Hankins</a></u> Director	334-844-4847 334-844-4844
<b><u>Controller</u></b> <u><a href="#">Amy Douglas</a></u> Controller	334-844-4623 334-844-3585

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## POLICIES

- Cost Sharing
- Direct Cost
- Final Billing and Reporting
- Fixed Price Residual Balances
- Non-Salary Cost Transfers
- Program Income
- Salary/Wage Cost Transfers
- Unreimbursed and Unallowable Expenditures

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# COST SHARING POLICY

- New policy effective 10/1/16
- Recover full costs from the sponsor
- Only cost share when required by the awarding agency
- In general, no cost share for industry or corporate sponsors
- Must be approved by department heads, deans or directors, and appropriate VPs

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# DIRECT COST POLICY

- Revised 4/1/17
- Includes changes resulting from 2 CFR 200 (Uniform Guidance)
  - Added more information on administrative/clerical salaries and computing devices
- Reminder of non-federal costing practices

The AUSPAN logo features the word "AUSPAN" in large, bold, orange capital letters. Below it, in smaller white capital letters, are the words "AUBURN UNIVERSITY SPONSORED PROGRAMS" and "ADVISORY NETWORK". The background of the logo is a blue sky with a white cloud.

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# FINAL BILLING AND REPORTING POLICY

- New policy effective 10/1/16
- Lists PI/departments responsibilities
- Lists deadlines for processing project costs
- Authorizes CGA to submit final invoices and financial reports within the established deadlines
- Includes information on treatment of unreimbursed or unallowable costs

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# NON-SALARY COST TRANSFERS POLICY

- New policy effective 10/1/16
- Includes information on volume, type, and timing of expenditures and internal controls
- Discusses “parking” of costs
- Defines and establishes transfer deadlines TO sponsored funds
- Expectation of monthly reviews of expenditures to facilitate timely discovery and correction of errors, as well as taking legitimate steps to minimize future errors

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# PROGRAM INCOME POLICY

- New policy effective 10/1/16
- Program income fees charged and collected should be based on the actual costs of performing the work
- Defines use of program income (additive, deductive, cost sharing)
- Disposition of program income balances at the end of the project
  - Federal vs. non-federal

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# SALARY/WAGE TRANSFER POLICY

- New policy effective 10/1/16
- Includes information on volume, type, and timing of expenditures and internal controls
- Discusses “parking” of costs
- Defines and establishes transfer deadlines TO sponsored funds
- Expectation of monthly reviews of expenditures to facilitate timely discovery and correction of errors, as well as taking legitimate steps to minimize future errors

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# SALARY/WAGE TRANSFERS POLICY

- Salary distributions should reflect current work assignments

*Although not noted in the policy specifically, salary/wage transfers must be done in coordination with effort certification.*

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# UNREIMBURSED/UN-ALLOWABLE EXPENSES POLICY

- New policy effective 10/1/16
- Defines difference between the two types of costs
  - Unreimbursed = otherwise allowable → transfer to Dean's CS FOP
  - Unallowable = per sponsor or regulations → transfer to unrestricted FOP
- Authorizes CGA to submit cost transfers if unreimbursed or unallowable costs remain on the sponsored fund

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# FIXED PRICE RESIDUAL BALANCES POLICY

- New policy effective 3/1/17
- Federal regulations (for grants and cooperative agreements) and the Truth in Negotiations and False Claims Act (contracts) govern the pricing of fixed price agreements
- Residual balances will be transferred to a college-level org. May be referred to as the Dean's Residual FOP.

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# FIXED PRICE RESIDUAL BALANCES POLICY

- **Upon expiration** – CGA will notify PI and his/her department of award expiration and that there are 120 days to spend remaining funds
- **After 120 days** – if residual balance remains, CGA will send a certification memo to the PI to complete and return within 45 days



**AUBURN UNIVERSITY**  
CONTRACTS AND GRANTS  
ACCOUNTING

MEMORANDUM TO: Dr. [REDACTED]

FROM: Larry Hankins, Director  
Contracts and Grants Accounting

SUBJECT: FUND NO.: [REDACTED]  
FUND NAME: [REDACTED]  
DURATION: [REDACTED]  
Fixed-Price Agreement

An accounting of the referenced agreement as of April 7, 2017, is as follows:

Award Amount:	\$	[REDACTED]
Expenditures to Date:	\$	[REDACTED]
Cash/Budget Balance:	\$	[REDACTED]

Please certify the items listed below, sign, and return to Contracts & Grants Accounting, 208 MW Smith Hall within the next 45 days. Upon your certification, Contracts and Grants Accounting, per Auburn University policy, will transfer to your Dean's Fixed Price Residual fund the above Budget/Cash balance, up to 15% of the original award. Any Budget/Cash balance greater than 15% of the original award, will be allocated to the Intramural Grant Program. Should you fail to certify the status of this expired agreement, the entire Budget/Cash balance above will be allocated to the Intramural Grant Program.

I confirm the following:

- All work has been completed.
- Full payment has been received.
- All expenditures have been properly recorded.
- No outstanding items remain open or in question with the sponsor.
- All technical reports have been received by the sponsor.
- All subcontracts have been closed and encumbrances liquidated.

[REDACTED]  
Principal Investigator: Printed Name and Signature (original signature required)

[REDACTED]  
Date

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# FIXED PRICE RESIDUAL BALANCES POLICY

- **Upon receipt of completed certification within 45 days of notice:**
  - If the balance is 15% or less of the original award, the entire amount will be transferred to the Dean's Residual FOP.
  - If the balance is more than 15%, 15% will be transferred to the Dean's Residual FOP and the amount in excess of 15% will be transferred to the Intramural Grants Program FOP.

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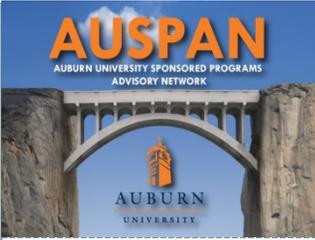
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# FIXED PRICE RESIDUAL BALANCES POLICY

- **If completed certification not received within 45 days:**
  - Entire remaining balance will be transferred to the Intramural Grants Program FOP
- **If previously extended to indefinite:**
  - **No change** – until the balance is \$1,000 or less and there hasn't been any expenditure activity in the preceding 120 days. \*\*\*

\*\*\* CGA will continue to send a notice prior to processing any transfers.\*\*\*



# QUESTIONS?



## Contact Information

**Larry Hankins**  
**Director**

**Contracts & Grants Accounting**  
**[hankill@auburn.edu](mailto:hankill@auburn.edu)**

**Gina Bailey**

**Assistant Director**

**Contracts & Grants Accounting**  
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