

Michigan State University
Contract and Grant Administration
Post-Award Newsletter- Issue 6 – December 2014
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Post-Award Newsletter – December 2014

A light-hearted collection of tips, hints and useful information to help you better administer your sponsored research projects. By Karen Rich

UG! It's Time to Embrace Uniform Guidance

First-year students will require:



1. Three sets of plain work robes (black)
2. One plain pointed hat (black) for day wear
3. One pair of protective gloves (dragon hide or similar)
4. One winter cloak (black, with silver fastenings)

Please note that all pupil's clothes should carry name tags... No, wait. Not that kind of uniform. The adjective uniform, as in “identical or consistent”. And guidance as in “advice or counseling”. So what we’re really talking about here is “consistent advice”.

I realize that the word “advice” seems to imply information you can take or leave, like when your friend tells you that tequila shots are a bad idea. You are free to ignore this guidance and wake up with a pounding headache and a new tattoo. When the Feds say “guidance”, however, they mean “rules”, and adherence is not optional. The choice on tequila shots remains entirely yours, however. Salud!

“To deliver on the promise of a 21st-Century government that is more efficient, effective and transparent, the Office of Management and Budget (OMB) is streamlining the Federal government's guidance on Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.”

What that means for research administration at MSU is that the feds are simplifying things by issuing guidance that, once implemented, “will supersede requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133...” Of course, federal regulation changes are to “simple” what



Kenny G is to heavy metal, so CGA is going to keep you informed with what you need to know now in order to keep your federal awards compliant.

How do these new regulations differ from the old ones?

Please check out this summary on the CGA website that outlines the major changes that will affect awards at MSU. <https://cga.msu.edu/PL/SiteFiles/GetFile.aspx?id=336>. Departments should pay attention to the section on internal controls and note that the rule changes on administrative salaries are significant.

That's great! Is this effective now? I want a new laptop.

Hold on, put your p-card away, and maybe read all of this before you head to Best Buy. The effective date of date of the UG is December 26, 2014. However, it will apply to new awards issued after that date, and will be phased in to existing awards as they are amended.

December 26? Why wouldn't they just make it effective January 1?

Yes, federal employees do have to work the day after Christmas.

But wouldn't it just be simpler if the effective date was the first of the year? December 26. Boxing Day. Why...

Just let it go.

What else do I need to know, right now?

The best advice CGA has right now regarding the UG is to keep your eye on your email, for CGA listserv updates, and on the CGA website. We will keep you informed as agency-specific implementation information becomes available, along with other pertinent implementation information. We expect many agency updates later this month.

One other related item that will affect your department in the coming months is the revised federal cost policy. CGA will be creating a cost policy that will be separated into a federal/state cost policy that reflects the UG, as well



as a separate non-federal/non-state cost policy. These updated

procedures will be distributed via the listserv, and posted on the CGA website.

P-Cards – Handy Solution for Small Purchases or Audit Inducing Nightmare?

We talked in the last issue about how you shouldn't use your p-card to make purchases for any account other than the one to which it defaults, when that account is an RC account. (This rule does not apply to p-cards on unrestricted accounts, CGA has no opinion on what you charge to those.) In a follow-up to this topic, please remember to attach receipts to all p-card statement documents. As you know,



if you do not approve the document in a timely fashion, it will auto-approve, thus the system never forces a user to go in and look at a statement and add the appropriate



documentation. However at some point, an audit, account closeout, or random spot-check of expenses, CGA is going to look at that p-card document and expect to see receipts. If they are missing, you will be asked for them, and since this request could come any time during the project period, or during the standard 3 year retention period, it's just easier for all parties if you attach them in the first place.

I Don't Remember Putting That On My Christmas List...

New requirements from NIH! As of October 17th NIH is requiring eRA Commons IDs and completed profiles for all individuals working one person-month or more on an NIH project.

What does this mean for me?

Depending on your role on a project (either PI or administrator), you'll need to ensure that the person(s) in



question have an ID and their profile is completed in its entirety prior to

the submission of the Research Performance Progress Report (RPPR).

What if I don't ensure this is completed?

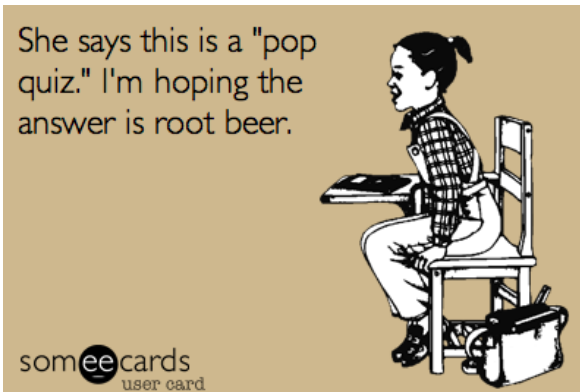
The RPPR cannot be submitted and future funding is placed at risk.

Okay, I get it – what do I need to do?

If you're unsure if the person has an ID, please send their name, role on the project, and MSU email address to awards@cga.msu.edu and if applicable, an ID will be setup. If you have any questions, please also contact the Awards Group at awards@cga.msu.edu.

Pop Quiz

1. "Overload" refers to which of the following?
 - a. Work performed by a faculty member over and above their regular appointment.
 - b. How one tends to feel immediately following a large holiday meal.
 - c. Plugging too many cords into an outlet, tripping a circuit breaker.
2. When CGA asks you to explain how you allocated an expense, what are we really asking is:
 - a. Who cares? CGA is always asking for something. I just answer all their questions with "It was due to staff turnover."
 - b. In this instance allocation refers to how an expense is split among two or more accounts, and for audit purposes CGA needs to know how that allocation was determined.
 - c. What the heck? You people can't just say "split"? And the answer is "Because the PI said so!"
3. A "business purpose" is:
 - a. A brief explanation that explains how an expense supports the scope of work of a project. It is a requirement that auditors will look for.
 - b. Yet another thing CGA asks for to further delay my reimbursement.
 - c. Redundant. Everyone knows what you use 2-1/2" 90 DEG ELBOW BUTT WELD 316SS for, I shouldn't have to explain it!
4. Travel to Canada is considered domestic.
 - a. True
 - b. False



There is a Revised PI Certification for Sub-Contract Payments

Yes, in order to cover a wider range of payment circumstances, a new certification has been developed for use with sub-contract payments. Please start using it. The wording is as follows:



"The services for which reimbursement is requested have been satisfactorily rendered and the costs thereof are proper and due in accordance with the terms of the agreement. If this payment is for an advance, it is in accordance with the terms of the agreement and necessary to further project objectives."

Stop Calling It Obama Care, My Fox-News Watching Friend

"I have a general understanding of what the Affordable Care Act is, but how does it affect me, in my job as a research administrator at Michigan State University?" you have likely never asked yourself. Further, "What is my role and what are my responsibilities to my RC accounts as this new law is implemented?" you didn't realize you wondered. Here at CGA, we don't just answer the questions you ask, we answer the ones you don't. (Please note that the original text of the Affordable Care Act (ACA) is over 900 pages long and therefore is not included in this document. Interested (or insomniac) parties may read it here: <http://www.gpo.gov/fdsys/pkg/BILLS-111hr3590enr/pdf/BILLS-111hr3590enr.pdf>)

Under the ACA, the definition of full-time employees includes variable-hour employees who average 130 hours per month (30 hours per week). All employees that meet this criteria and are otherwise ineligible for MSU health



insurance will be eligible for mandated health insurance. If you are thinking that “eligible for” implies some sort of choice, dream on. Eligibility for this mandated insurance will result in a monthly charge to the employee’s department(s), regardless of whether or not the employee accepts the insurance. “Well that sounds like both an expense and an administrative burden I’d prefer not to deal with. Effective immediately absolutely no variable-hour employees in this department are permitted work more than 29 hours per week!” you just decided, regardless of your actual authority to do so. Well, that is one way to approach the issue... That said, probably sooner rather than later, your department will be charged this fee, and you will need to allocate it appropriately. This is what you need to know to allocate it to RC accounts.

The ACA fee(s) will be charged using object code 6645 to your department’s default salary account, or other non-RC account that your department has specified. To reiterate, the ACA fee is allowable on RC accounts, but the default account for the ACA charge will ALWAYS BE A NON-RC ACCOUNT.

You can then use a Distribution of Income and Expense (DI) form to transfer the costs to the appropriate account(s), as long as the transfer is completed within 90 days. After that, it becomes a late cost transfer and a General Error Correction (GEC) form will be required. In an effort to keep this simple (relatively speaking), simply evenly divide the expense between the accounts on which the employee worked. Do not allocate based on effort or number of hours paid from each account. That bears repeating. DO NOT ALLOCATE BASED ON EFFORT OR PAY. For example, if the employee worked on three different projects, put one-third of the expense onto each of the three different account numbers. Any questions on this should be directed to transactions@cga.msu.edu.



Pop Quiz – Answers

1. a – Overload is worked performed by a faculty member in addition to their regular appointment, and it is usually unallowable on federal awards.
2. b – When you split an expense between multiple accounts, CGA will want to know how you determined how much to charge to each. “Expense allocated based on usage” is a good response. “Expense charged based on available funds” is not.
3. a – You should write this with the assumption that anyone auditing the expense will not have an advanced degree in your field.
4. b – False. Because Canada isn’t in the United States. Duh. However, many federal agencies consider travel to Canada and Mexico domestic for budgeting purposes. Just remember to use the international travel expenditure codes 6608 and 6610.



Your Opinion Matters. No, Really, It Does.

Like what you read here? Hate it? Have ideas for topics you'd like to see in the future? Let us know! You can contact Karen Rich at rich@cga.msu.edu. Or feel free to share your comments with any CGA staff member; they will gladly pass them along.