Goal:

• Provide an overview of the NMSU’s Research Administrative Offices:

“Office of Grants and Contracts (OGC)”

“Sponsored Projects Accounting (SPA)’’
Sponsored Research Administration — the office(s) that sits between the researcher and the sponsor and has responsibilities to both entities. A key role of the office(s) is to respond to the expectations of both the researcher and the sponsor.
SPA’s Mission:

Duties and Responsibilities
Sponsored Projects Accounting, a group of professional accountants and support staff within Administration and Finance focused on customer service, will assist the University by providing technical accounting support through financial reporting, transaction processing expertise, and interpretation of governmental regulations, thereby ensuring the data integrity of the financial information of the University.

We are uniquely positioned to provide financial accounting services to our internal customers within the context of the requirements of our external sponsors and auditors.

source: Sponsored Projects Accounting website (http://spa.nmsu.edu)
SPA’s Services:

- Assistance to Research Centers, Researchers
- Expenditure monitoring and compliance
- Invoicing & Financial Reporting
- Collection of Outstanding Invoices
- Effort Certification
- Timely Closeout
- Financial Audit Contact
**SPA Areas:**

1. **System Administration** – award set-up in NMSU’s financial system, electronic file, subcontracts encumbering

2. **Fiscal Monitors/Accountants** – compliant expenditure monitoring within budget, invoicing, financial reports, cost sharing, program income

3. **Accounts Receivable/Special Projects** – credit award with the funds received, collection of outstanding invoices, terming, audit requests, effort report certification, financial award closeout
1. System Administration

BPM Chapter 3 Sponsored Projects Accounting – Section 3.15.15 - Expenses for Grants, Contracts and Gift Indexes (FOPALs)

Index Creation in Anticipation of Award/Continuation Conditions:

1) Prior program is being renewed
2) New program with a well-known sponsor
3) Terms & conditions are acceptable
4) Cost share/matching are acceptable
5) Substantial upfront costs are not required
2. Fiscal Monitors/Accountants:

Invoice/Bill/Financial Reports for Sponsor

- Verifying expenditures are within project period
- Budget categories are not exceeded
- Expense is within scope of project
- Reviewing for CAS compliance
- Validating index and account code
- Verifying expense is allowable per University/Agency
- Monitoring for appropriate approvals
3. Accounts Receivable

- Semi-Annual Electronic Effort Certification
- Supports the Electronic Labor Redistribution Process
- Completes the Letter of Credit Drawdowns
- Posts Payments to Awards
- Collects Outstanding Invoices
- SPA’s Audit Liaison – coordinates financial information requests
- Responsible for Agency Closeouts
- Assist in terming Banner Funds and Indices
# Expenditures of Federal Awards

## Table 1: Expenditures of Federal Awards

<table>
<thead>
<tr>
<th>Year</th>
<th>$</th>
<th>Incr%</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2010</td>
<td>$226.6 million</td>
<td></td>
</tr>
<tr>
<td>June 30, 2011</td>
<td>$232.8 million</td>
<td>2.7%</td>
</tr>
<tr>
<td>June 30, 2012</td>
<td>$209.0 million</td>
<td>-10.2%</td>
</tr>
<tr>
<td>June 30, 2013</td>
<td>$222.9 million</td>
<td>6.6%</td>
</tr>
<tr>
<td>June 30, 2014</td>
<td>$214.4 million</td>
<td>-3.8%</td>
</tr>
</tbody>
</table>

Source: NMSU Annual Financial Reports, SCRENA

## Table 2: Grants vs Budget vs Expenses

<table>
<thead>
<tr>
<th>Grants</th>
<th>Budget</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>917</td>
<td>$1,009,757,940</td>
<td>$799,641,242</td>
</tr>
</tbody>
</table>

Awards’ Progression

OGC
- Award
- Negotiations
- Proposal
- RFP

SPA
- Account Set-up
- Cost Incurred/Billed
- Payments Received/Effort Reports Certified
- Closeout

New Mexico State University
Award:

1) Grant #
2) Fund(s)
3) Index(es)
Federal Regulations:

• Grants and Cooperative Agreements
  – Office of Management & Budget Circulars:
    • A-21
    • A-110
    • A-133

• Uniform Guidance 2 CFR 200-Effective December 26, 2014
Uniform Guidance 2 CFR 200:

- Provides principles for determining the costs related to “Sponsored Agreements” performed by colleges and universities under grants and contracts with the Federal Government.
Uniform Guidance 2 CFR 200:

• Featured Points:

1. IDC Rate (F&A)
2. CAS (NMSU CAS Template)
3. Effort Reports
4. Disclosure Statement - DS2
   • Required by Public Law 100-679 discloses NMSU’s cost accounting practices and details out indirect charges included in the facilities and administrative rate
5. Faculty Member Salary Rates
Cost Accounting Standards (CAS)

- Educational institution expenses should be:
  - Consistent in estimating a proposal
  - Consistent in accumulating and applying cost accounting practices which will facilitate the preparation of reliable cost estimates
  - Consistent in reporting costs
Award Expenses are Charged:

- **Direct** - costs are specifically identified to the objective with relative ease and a high degree of accuracy.

- **Indirect** – costs incurred for common or joint objectives and therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. These costs are charged through an indirect cost rate.
## Indirect Costs

### Current F & A Rates

<table>
<thead>
<tr>
<th>Category</th>
<th>Negotiated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2015</td>
</tr>
<tr>
<td>Organized Research (On Campus)</td>
<td>46.0%</td>
</tr>
<tr>
<td>Organized Research (Off Campus)</td>
<td>25.0%</td>
</tr>
<tr>
<td>Agricultural Research (AEC Only) (On-Campus)</td>
<td>41.0%</td>
</tr>
<tr>
<td>Agricultural Research (AES Only) (Off-Campus)</td>
<td>26.0%</td>
</tr>
<tr>
<td>Branch Colleges</td>
<td>46.0%</td>
</tr>
<tr>
<td>Other Sponsored Activities (Public Service (inc. AEC PS) (On-Campus)</td>
<td>32.2%</td>
</tr>
<tr>
<td>Other Sponsored Activities (Public Service (inc. AEC PS) (Off-Campus)</td>
<td>26.0%</td>
</tr>
<tr>
<td>Sponsored Instruction (inc. Ag instructions)</td>
<td>46.0%</td>
</tr>
</tbody>
</table>

### Current F & A Rates

<table>
<thead>
<tr>
<th>Category</th>
<th>Negotiated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2015</td>
</tr>
<tr>
<td>Regular Employees</td>
<td>34.3%</td>
</tr>
<tr>
<td>Non-Regular Employees</td>
<td>21.3%</td>
</tr>
<tr>
<td>Student Employees</td>
<td>0.9%</td>
</tr>
<tr>
<td>Graduate Assistant</td>
<td>4.0%</td>
</tr>
</tbody>
</table>
Uniform Guidance 2 CFR 200

Provides standards for obtaining consistency and uniformity among Federal agencies in the administration of grants and agreements with institutions of higher education, hospitals, and other non-profit organizations.

Examples: pre and post award requirements, financial administration, property standards, procurement standards, reports and records, termination and closeout

- Business Procedures Manual
  http://af.nmsu.edu/bpm/
Direct Costs requiring agency approval:
• Uniform Guidance 2 CFR 200-Selected Items of Cost Sections 200.420-200.475
  - Capital equipment 200.439
  - Computing Devices 200.453
  - Admin Salaries 200.413
Program Income:

- Revenue generated, i.e. conference fees, sale of videos, sale of books

- 2 CFR 200.307 requires the following treatment of program income:
  1. Add to project funds to further program objectives
  2. Use to finance the non-Federal share of the program
  3. *Deducted from the project costs in determining Federal share of net costs

*Applies automatically if not specified.
Participant Support Costs

• Stipends, allowances, registration fees for trainees require detailed monitoring (agency specific)
• Guidance in expending these funds:
  – Allowable charges
  – F&A (NSF does not allow)
  – Trainee Lists
  – Document Trainee Requirements, i.e. everyone qualified
Federal Contracts

- **Federal Acquisition Regulation** (FAR)

- **Defense Acquisition Regulations System** (DARS) develops & maintains acquisition rules & guidance

- **Defense Federal Acquisition Regulation Supplement** (DFARS) – apply to purchases and contracts by DoD contracting activities made in support of foreign military sales or North Atlantic Treaty Organizations cooperative projects without regard to the nature or sources of funds obligated
Information Systems

1. Ellucian – Banner Finance
   – Research Accounting Module, official system of record

2. Banner’s Document Management System (BDMS) Xtender
   – Launches award documents from Banner
   – Imaging and document management
   – Certified by the State of New Mexico

3. COGNOS –
   – Banner Report Database
Uniform Guidance 2 CFR 200.500

• Provides standards for obtaining consistency and uniformity among Federal agencies for the audits of States, local government, and non-profit organizations expending Federal awards.
  • Sub-recipient monitoring guidelines
Audits:

• **Types:**
  – Pre-Award on Proposals
  – Audit - Annually
  – Internal Audit
  – External – Agency specific, Office of Inspector General (OIG)

• **Associate VP Budget/Controller**  Anna Price  646-2431
• **NMSU’s Audit Liaison**  Carolina Munoz  646-3144
Audits:

- Auditor “Red Flags” and Risk Areas
  - Transfers older than 90 days
  - Transfers or purchases in the last month of the award or after the award has expired
  - Overruns from one sponsored project to another
  - Questionable Expenditures
  - Participant Support Costs i.e. stipends, allowances, registration fees for trainees
  - Effort Certification
  - Sub-recipient Awards
  - Progress Reports
Audits:

Outcomes:

1. Favorable - regulations are being followed
2. Unfavorable - audit findings & follow-up with corrective action
   - Disallowances for claimed costs/refund to sponsor
   - Penalties
   - Termination of agreement
   - Agency stops funding NMSU
   - Federal Government’s Debarred List
     - “Excluded Parties List System” – a website provided by General Services Administration (GSA) for disseminating information on parties that are excluded from receiving Federal contracts, certain subcontracts and certain Federal financial and nonfinancial assistance and benefits
Contact Information:

- SPA@nmsu.edu
- 646-1675
- Anderson Hall, Room E1200
- Website -spa.nmsu.edu
Information System Access

• Banner Finance Access  [link](http://bfweb2.nmsu.edu/AFforms/forms/ICT-Computer-Systems-Access.pdf)

• BDMS – once Banner access is granted
  – Email  [SPA@nmsu.edu](mailto:SPA@nmsu.edu)

• Cognos –  Email: [cognos_help@nmsu.edu](mailto:cognos_help@nmsu.edu)
  [link](http://bfweb2.nmsu.edu/AFforms/forms/ICT-Cognos-Portal-Access.pdf)

• Human Resources – Center for Learning & Professional Development
  [link](http://training.nmsu.edu/)