

Prepared by Contracts and Grants Management Office
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A8.900 Accounting for Research & Training
Contracts & Grants

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A8.946 Financial Management Information Reports for Externally
Financed Research and Training Programs of the
University: Input, Maintenance, Review and Correction
Requirements

1. Purpose

To provide management information reports to the appropriate University personnel to insure that extramural program resources are utilized in strict compliance with the sponsor's approved program budgets and the terms and conditions of award agreements.

2. Objectives

To establish guidelines and procedures which prescribe the input, maintenance, review and corrective actions required to properly control and monitor all externally financed programs and activities.

3. Applicability

These guidelines and procedures shall be applicable to all externally financed programs and activities including those that are service ordered to the Research Corporation of the University of Hawai'i (RCUH).

4. Guidelines

a. Externally financed research and training programs of the University require strict accountability and control of funds to insure that expenditures incurred in support of these programs are in compliance with the approved program budgets including any limitations and exclusions that may be imposed under the contract or grant award agreement. Therefore, financial status reviews must be

conducted on a regular basis for all externally financed programs through the review and analysis of Report 1905, Research and Training Budget Status Report (RTBSR) and, if applicable, Report 1905B, Consolidated Research and Training Budget Status Report (Attachments C and D for samples).

- (1) RTBSR's provide program information pertaining to each contract or grant award showing the amount of direct and indirect program funds by major cost categories that have been authorized by the sponsor, the actual program expenditures and encumbrances that have been incurred to date, the amount of unencumbered fund balance available under the program account code and projected payroll requirements.
 - (2) RTBSR's shall be maintained for each externally financed program on a program period basis. Two (2) copies of the report shall be generated on at least a monthly basis and distributed after the close of each month to the departmental Fiscal Officer (FO) by the Contracts and Grants Management Office (CGMO).
 - (3) RTBSR's shall not be generated for certain administrative type accounts and for the College of Tropical Agriculture basic Federal Appropriation accounts.
- b. Related financial management reports, as described below, shall also be provided to assist program personnel with required reviews and analyses of a program's financial status:
- (1) Report 1060F, Encumbrance and Expenditure Ledgers (Attachment E), shall be generated semi-monthly for all University program accounts. This report provides detailed expenditure information for each financial transaction that has been processed, approved and recorded in the University's official financial accounting records and is maintained on a fiscal year basis (July 1 to June 30). Two (2) copies of this report are distributed to the FO by the Central Accounting Office on a semi-monthly basis.

- (2) Report 1901, Encumbrance of Payroll by Fiscal Officer (Attachment F), shall be generated on a monthly basis for all externally financed programs with regular personnel payroll charges. This report shall be distributed on a monthly basis as an attachment to Report 1905 and shall identify the projected personnel charges for all regular employees that have been authorized against a particular program or activity account.
- (3) Report 1905B, Consolidated Research and Training Budget Status Report, shall be generated on a monthly basis for programs that require special consolidated allotment control reports to meet the unique accounting, reporting, and monitoring requirements prescribed by the sponsor. This report consolidates financial information by program work task(s) and major cost categories authorized by the sponsor and summarizes the overall financial position of a particular program or activity. Since Report 1905B is not automatically generated for programs with more than one account code, it must be specifically requested in advance from CGMO. Two (2) copies of the report shall be distributed to the FO by CGMO at the close of each month.
- (4) Report 1906A, RTBSR Deficits and Past Due Report (Attachment G), shall be generated on at least a monthly basis and shall identify all program accounts that have incurred expenditures beyond the sponsor's approved program budget or authorized program budget period. Two (2) copies of this report shall be distributed to the authorized Dean/Director by CGMO at the close of each month and shall list the expenditures and fund balances of all externally financed program accounts under their jurisdiction, including those service ordered to RCUH.
- (5) Report 1906B, RTBSR Deficits and Past Due Report by Fiscal Officer (Attachment H), is the same management report as Report 1906A. However, problem conditions listed on this report are identified by FO designation. Two (2) copies of

this report shall be distributed on at least a monthly basis to the assigned FO responsible for the control and management of program expenditures.

5. Procedures

a. Processing Requirements of RTBSR Input Forms

RTBSR input forms are the critical input documents for the overall financial management, control, and monitoring of externally financed programs. It provides the necessary allotment control information pertaining to the approved program performance period and the direct/indirect fund allocation by major cost categories that have been authorized by the sponsor.

To insure that up-to-date program and allotment control data are properly reflected on the RTBSR the following processing requirements shall be followed.

- (1) RTBSR Input Forms, CG Form 1, (Attachment A for sample form) must be initiated by the department or unit in accordance with the instructions (prescribed under Attachment A-1, instructions for Completing CG Form 1). Input forms must be prepared for:
 - (a) Each account code that is established in support of a sponsored program or activity;
 - (b) Each time written approval to reallocate program funds from one major category of expenditures to another is authorized by the sponsoring agency or through an institutional prior approval system; and
 - (c) Whenever there are changes or modifications to the sponsor's award agreement that will affect the financial terms and conditions of the award, such as changes to the project and budget period, the amount of authorized program funding, the sponsor's fund obligation, etc.
- (2) RTBSR Input Forms must be accompanied by:



- (a) A copy of the approved program budget for new, continuation, renewal, or supplemental funding awards from sponsors; or
 - (b) The original copy of written authorization from the sponsoring agency or copy of the approved institutional prior approval form which authorizes the reallocation of program funds from one major category to another.
- (3) The departmental FO shall review RTBSR Input Forms to insure that all financial management information, including the sponsor's approved program budget by major category of fund allocation, is consistent with the sponsor's award or written authorization.
- (4) Input forms must be signed by the FO (the PI is an optional signatory) and processed through CGMO no later than four (4) working days prior to the close of each report period in order to insure that program data are properly inputted to the RTBSR data files for that period.
- (5) CGMO shall review and approve each RTBSR Input Form to insure that it has been properly completed and signed by the FO.
- (a) Approved forms shall then be processed to the Data Entry Section of the University's Management Systems Office for input to the RTBSR Data Files.
 - (b) Improperly completed RTBSR Input Forms shall be returned to the appropriate FO for necessary corrective action.
- b. Processing Requirements of Consolidated RTBSR Input Forms

Some programs or activities with more than one program account code require unique allotment control requirements for the overall management, control, and monitoring of program financial status. To facilitate the expenditure control requirements for these programs,

the departmental FO shall be responsible for the establishment of a Consolidated RTBSR (Report 1905B).

- (1) The FO shall notify CGMO of the program account codes to be consolidated. CGMO may also establish consolidated RTBSR's for its financial reporting purposes even if not requested by FO's.
- (2) CGMO shall review and input consolidation requirements in the RTBSR Data Files.
- (3) The FO shall review and verify Consolidated RTBSR's to insure the proper consolidation of program accounts.

c. Financial Status Review and Maintenance of Management Information Reports

- (1) The Chancellor/Dean/Director, Provost and Department Chairperson shall be ultimately responsible for the overall management, control, and accountability of program funds in support of sponsored research and training programs under their jurisdiction. This responsibility includes:
 - (a) The review, analysis and monitoring of program performance with PI's and senior faculty and staff on a regular basis to insure that the scientific and technical performance requirements prescribed under each contract or grant and agreement are satisfactorily completed within the sponsor's authorized funding and time period; and
 - (b) The performance of at least a monthly review of Report 1906A, Deficits and Past Due Report, by major organizational level to:
 - (1) Identify and discuss any problem condition(s) with PI's and appropriate FO to identify and determine the cause of problems and take action to prevent the future occurrence of program cost overruns and disallowances.

- (2) Insure actions are taken to correct deficits and past due conditions identified under Report 1906A and to secure the necessary funds to cover such costs.
- (2) The FO shall be primarily responsible for the review, control, and monitoring of program expenditures incurred in support of externally financed programs and activities to: (1) insure strict compliance with the sponsor's authorized direct and indirect program budgets, including any limitations and exclusions that may be imposed under the contract or grant award agreement; and (2) to insure that program commitments and disbursements are not incurred in excess of or beyond the sponsor's authorized performance period. The FO's shall also be responsible for the following functions.
- (a) The review of RTBSR's and Consolidated RTBSR's to insure that program financial information, such as award number modifications or amendments, budget period, budget period amount, program period, program period amount, indirect cost base and rate, fund allocations, etc., accurately reflect the sponsor's approved program budget by major cost categories and the authorized performance period prescribed under each award agreement. If financial data are not consistent with the sponsor's award agreement, RTBSR Input Forms must be initiated to correct program data. This requirement is absolutely essential since incorrect program data will cause an inaccurate financial condition to be reported under the program or activity;
 - (b) The review and verification of the current month's summary of expenditures and encumbrances posted on the RTBSR with Report 1060F, Encumbrance and Expenditure Ledgers (Attachment E). Verification is necessary to insure the timely processing and recordation of all expenditures and encumbrances against appropriate program accounts and to account

for all in-transit fiscal documents which have not been formally recorded in the official University financial records to insure that the current financial position for each program or activity is properly updated.

- (c) The review and analysis of payroll and related fringe benefit encumbrances posted on Report 1901, Encumbrance of Payroll by Fiscal Officer, to insure that projected personnel costs are accurate and consistent with the most current Notice of Personnel Action Forms SF-5B's or SF-5's (Attachment F).
 - (1) If review and analysis of Report 1901 is performed and it is determined that projected payroll encumbrances identified for program personnel are incorrect, corrections should be processed as required.
- (d) The distribution of a copy of RTBSR's and Consolidated RTBSR's to the PI, Project Manager, senior program faculty or staff with appropriate recommendations and comments relating to the current financial position of the program or activity, including any spending restrictions or limitations.
- (e) The review of Report 1906B RTBSR Deficit and Past Due Report by Fiscal Officer, on at least a monthly basis to determine the cause of problem conditions and to work closely with the appropriate PI and Chancellor/Dean/Director to initiate immediate corrective actions (Attachment H for sample of Report 1906B).
- (f) The provision of advice and assistance to the PI, faculty, and staff concerning fiscal matters relating to the current financial position of the program or activity, the allowability of program expenditures, and the need for prior approval authorization from the sponsor as required, to avoid program disallowances.

- (3) The PI shall be primarily responsible and accountable for the satisfactory completion of scientific and technical performance requirements prescribed under the sponsored program and to insure that only proper and allowable costs are charged in strict compliance with the approved program budget including any limitations and exclusions that may be imposed by the sponsor. The PI's responsibilities shall include the following functions.
 - (a) The evaluation and monitoring of current financial position through a monthly or, if required, more frequent review and analysis of the RTBSR and Consolidated RTBSR provided by the FO to insure sound scientific and administrative judgements are taken in accordance with the unencumbered fund balance available for the program or activity to avoid program deficits and disallowances.
 - (1) If any financial review discloses unanticipated problems, delays, or adverse conditions that will materially affect the satisfactory performance of the program or activity, the PI must:
 - (a) Immediately notify the FO and Chancellor/Dean/Director to discuss and resolve problem areas;
 - (b) Insure the proper update of program data in the RTBSR and to work closely with the FO to plan, coordinate and initiate all program changes in work activity that will affect the approved fund allocation by major cost category or change the authorized program performance period.
 - (c) Obtain the sponsor's prior written approval if program changes require authorization from the sponsoring

agency to insure allowability of
program costs.

ATTACHMENT A-1
Instructions for Completing RTBSR Input Form

General Instructions:

1. One of the boxes in the upper left hand corner (New Account or Change Data) must be checked to indicate whether the RTBSR Input Form is being processed for a newly established program account code or to initiate changes in an existing program/activity RTBSR.
2. The account number under block #01 must be completed for each RTBSR Input Form to insure the proper identification of program/activity account.
3. Blocks #02 through #22 must be completed for each new program account or whenever changes are required to update program information already shown on RTBSR. Program information inputted under blocks #02 through #22 shall automatically replace previous data shown on RTBSR's. Please note that block numbers 02, 05, 06, 07, and 21 are restricted for CGMO use only.
4. Even numbered blocks from #24 through #82 must also be completed, as applicable, for each new program account or whenever changes are required to update the sponsor's authorized fund allocation by major cost categories. Financial data inputted under blocks #24 through #82 shall increase or decrease the previous fund allocation shown on RTBSR. For example, if the previous allocation for salaries and wages is to be increased from \$10,000.00 to \$15,000.00, block #34 must indicate \$5,000.00. Likewise, if the allocation for salaries and wages is to be decreased from \$10,000.00 to \$5,000.00, block #34 must indicate (\$5,000.00).
5. Odd numbered blocks from #25 through #83 are restricted for only CGMO use to correct previous year expenditure totals.
6. All dollar amount identified on the RTBSR Input Form (blocks #17, #19, and #24 to #83) must be shown in dollars and cents. Example, \$1,000.00 must be shown as \$1,000.00 and not \$1,000.

Detail Instructions Applicable to Each Block:

01. Account Number: Identify the unique 14-digit University account code that has been established for the sponsored program/activity.
02. Type of Award To be Completed by CGMO.
03. Award Number: Identify the sponsor's contract/grant award number. Award number should also identify the modification/amendment number, if applicable. (i.e. NASW 3413-1)
04. Sponsoring Agency: Indicate the name of the sponsoring agency. See Attachment A-2 for listing of abbreviations for most sponsoring agencies. If the sponsor is not listed under Attachment A-2, abbreviate the sponsor's name within the 10 space limitation provided.
05. Billing Code: To be completed by CGMO.
06. Transaction Number: To be completed by CGMO.
07. Remarks: For CGMO use only.
- 08, 09, 10, 11, 12, 13, 14 and 15: Special Object Code 1, 2, 3, and 4 and Special Object Description 1, 2, 3, and 4. This unique feature under Report 1905 provides for the special grouping of program costs to facilitate the monitoring, control and use of program funds by major cost categories that have been authorized by the sponsoring agency. Special categories may be established to group one or more consecutive sequence of object symbol codes. The special grouping of object symbol codes shall override the standard budget categories and only those unique grouping of expenditures shall be recorded against the special allotment category. For example, the sponsor's approved program budget provides for the specific allocation of funds relating to inter-island travel (\$500), supplies-optical (\$3,000), supplies-laboratory (\$4,000) and general purpose office equipment (\$1,500). Since the standard budget allocation categories as shown under the RTBSR Input Form do not provide for the detail classification of costs as prescribed by the sponsor; the Special Object Code/Description 1 through 4 should be utilized for this unique allotment control requirement as shown in the example below:

- Special Object Code/Description 1 (Block #8 and #9): Should be utilized for the interisland travel allocation of \$500 authorized by the sponsor. Block #8 should identify the object of expenditure codes relating to inter-island travel "From" 4200 "To" 430C. See Administrative Procedures Manual (APM) A9.615, Source and Object Codes, under Attachment D for detail listing and description of applicable expenditure codes. Block #9 should indicate "Inter-Island Travel". Please note that the description block for special object codes is limited to only 25 characters.
 - Special Object Code/Description 2 (Block #10 and #11): Should be utilized to identify the fund allocation for supplies-optical, \$3,000. Block #10 should indicate object codes "From" 3015 "To" 3015. Block #11 should be labeled "Supplies-Optical".
 - Special Object Code/Description 3 (Block #12 and #13): Should be used for supplies-laboratory, \$4,000. Block #12 should indicate object codes "From" 3042 "To" 3042. Block #13 should be labeled "Supplies-Laboratory".
 - Special Object Code/Description 4 (Block #14 and #15): Should be used for office equipment, \$1,500. Block #14 should indicate object codes "From" 7710 "To" 7710. Block #15 should be labeled "Office Equipment".
16. Budget Period: This represents the start and end dates for which the sponsor's obligated funds have been authorized for a particular program/activity. The appropriate six (6) digit code for each date must be identified. The first two digits shall represent the month, the next two digits for the day, and the last two digits for the year. Example, September 1, 1988 shall be identified as 09-01-88.
 17. Budget Amount: This represents the total dollar amount of funds that have been obligated by the sponsor for the duration of program/activity.
 18. Project Period: Identify the inclusive start and end dates of program performance period from date of inception. The "Budget Period" and "Project Period" should generally be same for most programs/activities unless the sponsor's award agreement specifically limits the authorized time period for

which expenditures may be incurred under the program/activity. For example, the sponsor's award agreement is for a two-year project period beginning January 1, 1988 through December 31, 199; however, the sponsor has specifically limited the authorized budget period from January 1, 1988 to June 30, 1988. Therefore, the "Budget Period" should indicate the time period from January 1, 1988 to June 30, 1988, whereas, the "Project Period" should identify January 1, 1988 to December 31, 1989.

19. Project Amount: Identify the total dollar amount of program funds that have been committed by the sponsoring agency from date of program inception. The "Budget Amount" and "Project Amount" should also generally be the same for most programs/activities unless the sponsor specifically limits the total amount of funds authorized under the award agreement. For example, the sponsor's total award is the \$2,000,000.00 covering a two-year period beginning January 1, 1988; however, the total amount of funds obligated by the sponsor is only \$500,000.00 for the period January 1, 1988 to June 30, 1988. Therefore, the "Budget Amount" should indicate \$500,000.00 and the "Project Amount" \$2,000,000.00.
20. I/C Method: Check the appropriate box for the method of indirect computation to be used.
21. I/C Ceiling: To be completed by CGMO.
22. I/C Percentage: Indicate the percentage rate to be applied in the computation of indirect cost. For example, 44% should be entered as 44.00.
- 24 through 82 (Even numbered blocks). Allocation: Fund allocation by major cost categories must be identified in strict accordance with the sponsor's approved program budget. See Attachment A-3 and A-4 for the standard budget allocation categories that have been established for specific groupings of object symbol codes. If the required cost grouping of object codes are not listed, Special Object Code/Description 1 through 4 under blocks #8 through #15 must be utilized.
- 25 through 83 (odd numbered blocks). Previous Year Expenditures: for CGMO use only.

Abbreviations for Sponsoring Agencies

<u>Name of Sponsoring Agency</u>	<u>Abbreviations</u>
Department of Air Force	USAF
Department of Agriculture	USDA
Department of Army	ARMY
Department of Commerce	DOC
Department of Energy	DOE
Department of Health and Human Services	DHHS
Department of Housing and Urban Development	HUD
Department of Interior	DOI
Department of Justice	DOJ
Department of Labor	DOL
Department of Navy	DOS
Department of State	DOS
Department of Transportation	DOT
Environmental Protection Agency	EPA
small Business Administration	SBA
Tennessee Valley Authority	TVA
National Aeronautic & Space Administration	NASA
National Endowment for the Arts	NEA
National Foundation for the Humanities	NEH
National Science Foundation	NSF
Department of Education	ED
Office of Water Research & Technology	OWRT
U.S. Information Agency	USIA

RTBSR INFORMATION SOURCES

- I. FINANCIAL INFORMATION SYSTEM (FIS)
 - A. Account number
 - B. Type of project
 - C. Principal investigator
 - D. Fiscal Officer
 - E. Expenditure and encumbrance information, except payroll encumbrance
 - F. Indirect cost and other transfers processed directly through FIS by Journal Vouchers or Authorization for Payment forms

- II. FACULTY STAFF INFORMATION SYSTEM (FSIS)
 - A. Payroll encumbrance

- III. RTBSR INPUT FORM
 - A. Indirect cost type and rate
 - B. Sponsoring agency
 - C. Budget period
 - D. Budget amount
 - E. Award number
 - F. Project period
 - G. Project amount
 - H. Special budget categories
 - I. Allocations

- IV. COMPUTER GENERATED INFORMATION
 - A. Indirect costs
 - B. Personnel benefits encumbrance
 - C. Indirect cost encumbrance