Overview

Supporting your Research and navigating SMU

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This guide has been created to assist Principal Investigators and support staff in navigating the complexities of conducting research and remaining compliant with SMU, state, federal, and agency policy. Additional information can be found by reviewing SMU Policy manual, section 10.

Sponsored Projects are subject to annual audit by SMU's external auditing firm, KPMG. Adverse findings could impact sponsor relationships and University funding.

As you review this document, be on the lookout for:

⭐ Tips   Checklists   Where to get help?

Grant and Contract Accounting

POST-Award Administration

The office of GCA manages the financial component of the University's externally-funded research, public service, and other separately budgeted projects. The main functions of GCA include:

❯ Review/approve all financial transactions on sponsored projects

❯ Approve all new and/or incremental funding for sponsored projects and setting them up in the University's financial systems

❯ Provide billing, collections, and external financial reporting services for all sponsored projects

❯ Serve as liaison to outside auditors examining the University's sponsored projects

❯ Provide guidance and support to Business Managers and Principal Investigators on the financial conduct of their sponsored projects

❯ Conduct the University's Indirect Cost Study at required intervals

Financial Oversight

Uniform Guidance & Code of Federal Regulations (CFR)

OMB 2 CFR-200 establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions. The guiding cost principles established by this circular include:

Reasonable: A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved therefore, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.

Allowable: A cost must be allowed by the general cost principles in Uniform Guidance, the award agreement, and agency guidelines.

Allocable: A cost is allocable to a particular cost objective (i.e., a specific function, project, sponsored agreement, department, or the like) if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship.

Consistent: A cost must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances.

Costs must conform to any limitations or exclusions set forth in these principles or in the sponsored agreement as to types or amounts of cost items.

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Financial Oversight

Budget Management

PIs have primary responsibility for managing the approved project budget. To help facilitate effective budget management, SMU provides PIs budget reports, which are commonly referred to as "Q drive reports."

> Reports are created by the Office of Information Technology (OIT) via request from GCA during the award setup process.

> Each project that receives a unique G# will have a separate Q drive report created.

> Reports are updated nightly, with the following components:

>> **Accounts Payable and Journal Entries** (invoice payments, non-payroll charges, etc.) – posted nightly.

>> **Payroll** (salary and benefits charges) – posts after the payment date for bi-weekly payroll and at month-end for monthly payroll.

>> **Student Financials** (tuition charges) – month-end posting.

>> **Overhead** (indirect costs) **and Cost-Sharing** – allocations updated during month-end processing, which normally occurs on the second business day of the new month for the prior month's business.

Additional information regarding Q drive reports is available on the GCA website here.

Questions regarding Q drive reports should be direct to your GCA Grant Accounting Specialist.

Financial Oversight

Requesting cost transfers - SMU Policy 10.12

With adequate justification, PIs may request a cost transfer to move expenses from one grant to another, provided the expenses are reasonable, allocable, and allowable to the target grant. Cost transfers would generally be requested to correct clerical errors, allocate a portion of a cost to multiple grants, or to clear a cost overrun.

GCA reserves the right to reject costs transfers which create audit risk. Examples include transfers that are frequent, late, inadequately documented, between federal grants, or used to "spend down" the grant. Costs that benefit one grant cannot be temporarily charged to another project.

- PIs needing to request a cost transfer should contact their assigned GCA Grant Accounting Specialist.

- A completed, signed journal entry form and supporting documentation must be submitted in order for your Grant Specialist to process the request.

- Acceptable supporting documentation includes: expense reports, payroll reports, invoices, etc.

Payroll & Personnel

Hiring students, staff, and researchers

> PIs should work with their department for hiring needs. Each PI/department support staff is responsible for timely submission of hire requests.

> All hire requests charged to grants and contracts must be reviewed and approved by your GCA Accountant Specialist for allowability and to ensure adequate budgeting.

> **Budgeted benefit rates for project personnel are subject to change. Actual benefits rates each fiscal year will be assessed to sponsored projects, regardless of the originally budgeted rate. Rates are reviewed and updated annually, at minimum.**

> Casual, temporary employees are hired using SMU's contracted vendor, Kelly Services.

Payroll & Personnel

Personnel Activity Reports (PARs)

SMU and federal policy requires regular PI certification of effort and payroll charged to awards. Certification forms, called PARs, are distributed to each PI by employee and by grant.

❯ PARs must be certified monthly.

❯ PARs are generated for each employee paid from a grant.

 ❯ Employees split-funded on multiple grants will have multiple PARs to be certified.

❯ Changes to percentage effort will be processed by a journal entry.

⭐ **Late, incorrect, or missing PARs can result in adverse audit findings and penalties to the University. PIs are expected to submit PARs within the timeframe provided.**

Contact your GCA Grant Accounting Specialist with questions and/or assistance with PAR certifications.

Travel, Procurement, & Reimbursement

Concur - Travel and Expense Reporting

All SMU travel, grant-related or otherwise, is managed via SMU's contracted travel management vendor, Concur.

❯ All travel on sponsored projects must be pre-authorized by the PI and the GCA Grant Accountant Specialist prior to booking. Submit travel requests well in advance of when your travel will occur to ensure timely processing.

❯ A Travel Expense Report is required at the conclusion of each trip. All expenses and supporting documentation should be retained and submitted using Concur's Expense Report function.

❯ Unless a cash advance is received, or SMU card utilized, all travel costs will be reimbursed with the processing of a completed Travel Expense Report (**due within 30 days of trip concluding).**

⭐ Review SMUs travel policy prior to booking reservations to avoid any issues after-the-fact. **University policy can differ from the sponsor agency; the most restrictive policy prevails.**

📋 Receipts, receipts, **RECEIPTS**. Retain itemized receipts for all expenses incurred during the course of travel. Expenses exceeding $25 without sufficient documentation will not be reimbursed.

🧰 For questions or assistance related to Concur, contact Travel Manager, Millicent Grant or email travel@smu.edu.

Travel, Procurement, & Reimbursement

Post-Travel Reimbursement

Unless a cash advance is received, or SMU card utilized, all travel costs will be reimbursed with the processing of a completed Travel Expense Report at the conclusion of your trip.

> Expense Reports are submitted via Concur.

> Mileage and currency conversion rates are automatically calculated in the system based on input.

> Requires itemized receipts to be attached for each expense grater than $25.

> No reimbursement for travel will be processed until an Expense Report has been completed by the PI or other traveler.

⭐ Be sure to allocate expenses to appropriate account codes or the report will be returned. Provide as much detail as possible, via the comments function, when documentation is limited.

🧰 If you are not sure how to classify an expense using SMU's account codes, contact your GCA Grant Accounting Specialist for guidance. For issues related to submitting an Expense Report, contact SMU Travel Manager, Millicent Grant.

Travel, Procurement, & Reimbursement

Invoices, SMU Card, and Payment Requests

SMU provides multiple methods for ordering, purchasing, and paying vendors and individuals. Most purchases will be processed through ePro, SMU's online purchasing system; however, the following methods are available:

Invoices: *all invoices received for goods and/or services should be submitted to invoices@smu.edu. Invoices will be routed via DocuSign for obtaining approval signatures and routing approved invoices to accounts payable for processing.*

SMU Card: *the SMU procurement card program is designed to provide authorized faculty and staff with a cost-effective and convenient method of procuring small-dollar purchases of regularly consumed supplies. Ideally, the Procurement Card is recommended for the purchase of allowable expenses less than $5,000 in value.*

Payment Requests: *payments to individuals for goods and/or services, without a Purchase Order (PO) issued by SMU, can be processed using the Payment Request Form.*

Travel, Procurement, & Reimbursement

Subcontracts

The issuance of a Subcontract from SMU is typically required when awards include budgets allocated to other universities, or research institutions, for an agreed upon level of work and/or deliverables.

- The issuance of subcontracts from SMU to outside parties is processed via a Purchase Order.
- Purchase orders for subcontracts cannot be processed until an executed contract has been received and signed by a AVP Research in ORGS.
- Subcontracts are issued with a Purchase Order number, which provides the mechanism by which outside parties can invoice SMU for payment.
- Typically, subcontracts are assessed applicable indirect costs up to the first $25,000 of the total subcontract amount.

- Work with your GMS in ORGS to ensure timely execution of subcontracts once your award has been issued.
- Either you or your department support staff will be responsible for requisitioning a subcontract purchase order.
- Fully-executed subcontract – attached to requisition request.
- GCA Purchase Requisition form – attached to requisition request.

Travel, Procurement, & Reimbursement

Consultants and Contracts for Services

Generally, requisitions submitted for consultants or other contract-for-service type purchases have a higher degree of risk to the university. As such, a consulting agreement and/or executed contract should be in place prior to submitting a requisition to a vendor or individual.

› Consulting agreements and/or contracts for services must be reviewed and approved by a Contract Management Specialist in ORGS.

› Your research award should have a budget category for services. If it does not, consult with your GMS in ORGS to determine allowability.

› Consultants or other individuals reimbursed by SMU must adhere to both SMU and awarding agency's travel and expense policies. Unallowable expenses will NOT be reimbursed. SMU travel and expense guidelines are available here.

⭐ Contract execution between SMU and vendors can take time. Upon receipt of your new award with these types of expenses, begin working with your GMS in ORGS right away to ensure a contract is in place at the time services are needed.

Grant and Contract Accounting, in conjuction with Sponsored Projects and various campus parterners, aims to fully support Principal Investigators in managing their projects, ensuring fiscal compliance and fulfilling reporting requirements.

We welcome and encourage your questions and look forward to collaborating with you!