Research Workday Town Hall
November 2, 2023

Research Workday Town Hall Agenda

November 2, 2023

- Welcome

- PI Reporting (Status Summary)

- Financial Closeout Process Updates

- Invoice Lifecycle Walk Through

- Mandatory Cost Share

- Next Meeting 11/16

- Q&A

Preparing for PI Reporting (Status Summary)

Preparing for PI Reporting

- PIs have requested access to reporting in Workday, to enable their monitoring of grant activities and spending.

- VUMC leadership supports this approach

- We each have a role in making this rollout successful

- Research administrators are asked to take actions to ensure grant budgets are accurately reflected in Workday

- Reports that will be available for PI use:
  - Status Summary by PI
  - CR Fin Budget to Actual for Grant or Award

Preparing for PI Reporting

Full budget isn't allocated in the current grant year

Summary by PI ...

for Organization Reporting   Consolidated Vanderbilt University Medical Center   Period   FY24 - Nov

Investigator

Award	Grant	Principal Investigator	Grant From Date	Grant To Date	Budget	Actuals	Remaining Balance	Commitments	Obligations	Remaining Balance After Encumbrances	Percentage Remaining
				11/30/2024	$1,123,268.07	0.00	$1,123,268.07	0.00	0.00	$1,123,268.07	100.00%
				11/30/2021	$33,916.00	$158,511.79	($124,595.79)	0.00	0.00	($124,595.79)	(367.37%)
				07/31/2024	$275,000.00	$225,421.39	$49,578.61	$0.00	$55,577.33	($5,998.72)	(2.18%)
					$1,432,184.07	$383,933.18	$1,048,250.89	$0.00	$55,577.33	$992,673.56	69.31%

Budget	Actuals	Remaining Balance	Commitments	Obligations	Remaining Balance After Encumbrances	Percentage Remaining
$1,123,268.07	0.00	$1,123,268.07	0.00	0.00	$1,123,268.07	100.00%
$33,916.00	$158,511.79	($124,595.79)	0.00	0.00	($124,595.79)	(367.37%)
$275,000.00	$225,421.39	$49,578.61	$0.00	$55,577.33	($5,998.72)	(2.18%)
$1,432,184.07	$383,933.18	$1,048,250.89	$0.00	$55,577.33	$992,673.56	69.31%

Preparing for PI Reporting

Budget is allocated to a single direct cost bucket

CR Fin - Budget vs Actual for Grant or Award

Grant _____   Period   FY24 - Nov

8 items

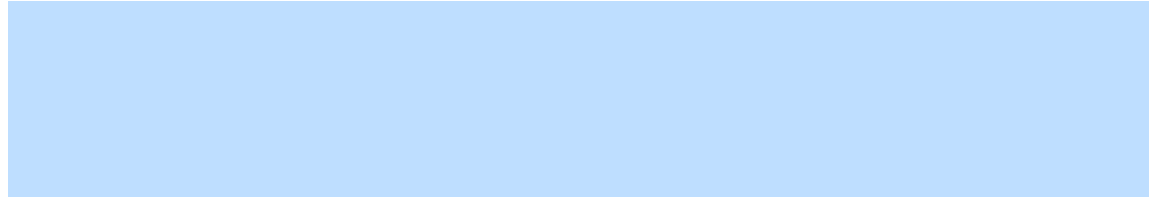| Object Class	Grant	Award	Grant From Date	Grant To Date	Budget	Commitments	Obligations	Actuals	Commitments + Obligations + Actuals	Remaining Balance	Percentage Remaining
Salaries					0.00	0.00	$0.00	$156,114.04	$156,114.04	($156,114.04)	0.00%
Fringe Benefits					0.00	0.00	$0.00	$36,592.11	$36,592.11	($36,592.11)	0.00%
Materials & Supplies					0.00	$0.00	$1,540.38	$37,489.51	$39,029.89	($39,029.89)	0.00%
Other Direct Costs					$275,000.00	0.00	0.00	$44,297.32	$44,297.32	$230,702.68	83.89%
Domestic Travel					0.00	0.00	0.00	$640.99	$640.99	($640.99)	0.00%
Total Direct Costs					$275,000.00	$0.00	$1,540.38	$275,133.97	$276,674.35	($1,674.35)	(0.61%)
Indirect Costs					$192,500.00	0.00	0.00	$186,322.13	$186,322.13	$6,177.87	3.21%
Total Direct & Indirect Costs					$467,500.00	$0.00	$1,540.38	$461,456.10	$462,996.48	$4,503.52	0.96%

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Preparing for PI Reporting

Budget is fully populated for current award period

CR Fin - Budget vs Actual for Grant or Award

Grant

Period   FY24 - Nov

10 items

Object Class	Grant	Award	Grant From Date	Grant To Date	Budget	Commitments	Obligations	Actuals	Commitments + Obligations + Actuals	Remaining Balance	Percentage Remaining
Salaries	73.42%				$666,584.00	0.00	$71,724.25	$105,445.05	$177,169.30	$489,414.70	73.42%
Fringe Benefits	71.08%				$147,983.00	0.00	$19,939.43	$22,853.92	$42,793.35	$105,189.65	71.08%
Materials & Supplies	57.08%				$43,738.00	$0.00	$11,261.58	$7,510.71	$18,772.29	$24,965.71	57.08%
Other Direct Costs					$267,609.00	0.00	0.00	$6,425.21	$6,425.21	$261,183.79	97.60%
Subaward Costs					$255,866.00	0.00	0.00	0.00	0.00	$255,866.00	100.00%
Domestic Travel					$7,197.65	0.00	0.00	0.00	0.00	$7,197.65	100.00%
Total Direct Costs					$1,388,977.65	$0.00	$102,925.26	$143,233.89	$246,159.15	$1,142,818.50	82.28%
Indirect Costs					$793,179.36	0.00	0.00	$100,263.81	$100,263.81	$692,915.55	87.36%
Total Direct & Indirect Costs					$2,182,157.01	$0.00	$102,925.26	$243,497.70	$346,422.96	$1,835,734.05	84.12%

Financial Closeouts Process Updates

Managing Financial Closeout Collaboration

Overall Process for Financial Reporting Closeouts

Department Grant Manager
(Workday Security Role)

Department Grant Manager reviews and confirms **Award Lines Expiring Within 90 Days,** in advance of the closeout process.

Department Grant Manager also reviews transactions in Workday, ensures all activity is compliant with sponsor terms & agreements, submits journals if needed, obtains PI approval of financial report, marks Award Task Complete and submits in Workday before ***award task due date.***

OSP Award Processing Administrator
Office of Sponsored Programs / Pre-Award

Finance Sponsored Program Manager
Post Award

OSP Award Administrator creates grant worktags, updates grant end dates, and adds additional funding as outlined in award agreements.

Finance Sponsored Program Manager reviews closeout to ensure activity is within budget period, confirms F&A calculated correctly, performs a high-level review of allowable accounts, and submits timely financial report to sponsor.

Managing Financial Closeout Due Dates

CR RG Award Lines Expiring Within 90 Days - Grant Level ...

Principal Investigator		≡
View As Employee		≡
View with Employee Role		≡

Filter Name

Manage Filters

Save

0 Saved Filters

OK   Cancel

Collaboratively, we need to update the data in the Workday Report

[CR RG Award Lines Expiring Within 90 Days - Grant Level](#)

[This report can be accessed by users with GRANT roles: Grant Manager, Grant Fin Analyst](#)

Finance Sponsored Program Manager will schedule departmental meetings:
- to include the Grant Manager (Workday role) Finance Sponsored Program Manager, and OSP Award Administrator
- goal is to work through cleansing the list for closeouts/final invoices due to the sponsor in the next 90 days

Prior to the meeting, each Department Grant Manager (Workday Security Role) should:
- Run this report and export to Excel
- Review each award/grant worktag end date with department responsible person, and make notes in Excel for actions needed

During the meeting:
- Finance Sponsored Programs Manager will confirm award lines that need a financial report and those that should be inactivated based upon Grant Manager review
- Department Grant Manager will discuss items needing COEUS/PEER workflow updates and ensure actions are identified. They will also work with the OSP Award Administrator to confirm next steps to complete updates.
- A follow up meeting will be scheduled in two weeks to confirm updates were made as identified

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Managing Financial Closeout - Reports

Which reports should I run to review activity for financial award closeouts?

- CR Fin – Research Transaction Summary

  - Summary by ledger account, Direct costs, F&A, and Total expense

- Cost Reimbursable Line Status

  - Summary by Object Class and Grant for each Award
  - Should agree to CR Fin – Research Transaction Summary
  - Review items Pending Award Line Date Review or Awaiting Settlement to identify any journals needed, included potential accruals for closeout

- CR Fin – Budget vs Actual for Grant or Award

  - Ensure all Commitments and Obligations are ZERO

- Find Supplier Invoices – VUMC

  - Ensure Subaward invoices are processed; Filter by Spend Category = SC147 Subcontracts and Invoice Status = Draft, Incomplete or In Progress to show outstanding Subaward Invoices Unpaid

- Effort Trend

  - Ensure all payroll expenses are appropriate to the budget period and process PCAs for future expenses and PAAs if adjustments are needed

- Award (AWDXXXXXX)

  - Ensure "Cost Reimbursable Spend Outside Award Line Dates" is ZERO or known reasons are documented in the closeout

Managing Spend Outside of Award Line Dates

How do I ensure spend outside of the budget period is ZERO, or known reasons are documented, so all appropriate expenses will be billed to the sponsor, before I mark the Award Task as complete?

- Click in the column "Cost Reimbursable Spend Outside Award Line Dates" selecting an amount
- Select "View by: "Initiating Spend Transaction of Facilities and Administrative or Award Revenue Operational Journal" and you will see the journal that generated the transaction
- REVIEW this activity ANYTIME during your award
- You MUST clear these transactions for an invoice to be generated for the report to the sponsor

Important: PAA budget dates default to the budget date of the period. Be aware that the accounting date appears in the period the PAA posts.

Understanding this will be helpful when **communicating** with your Sponsored Programs Manager.

Example: A PAA for June pay period is entered in August when you become aware of the change needed.

The **budget date** in the PAA is June (this will default to June in the PAA).

The **accounting date** for this PAA will be August (and can't be changed) because it posted in August. Workday is capturing this correctly.

Best Practices for Financial Closeouts

Quick Tips

- Are you logged in using the VPN?
- Are your Workday search preferences set to search all of Workday? Workday Search Preferences

Manage/cleanse the 90-day due report to prepare for closeout

- Run Report CR RG Award Lines Expiring Within 90 Days – Grant level monthly
- Request updates to end dates, additional funding pending or received, new grant worktags needed, etc. With your OSP Award Administrator

Proactively initiate changes

- 60 days in advance of award ending, create future dated Payroll Costing Allocations (PCAs)
- Process payroll accounting adjustments (PAAs) timely
  - Ensure these are not only initiated but through all approval steps 30 days before closeout
- Review iLab Cores worktags and request updates timely for awards ended Review iLab billing numbers
- Run report **Find Supplier Invoice - VUMC** to ensure invoices in process have been paid; you should also ensure all sub invoices have been received from the sponsor
- Monitor award expenses throughout the life to minimize transactions processed at the end of an award – this includes adding or removing charges

Ensure expenses are within the budget period and are processed timely

- billing for expenses outside of the budget period is not a simple task in Workday and could impact our ability to draw down funds or invoice the sponsor
  - most transactions outside the budget period NEED AN ACTION in Workday *before* the invoice or final report can be created and submitted to the sponsor
  - complete these transactions before submitting award closeout as completed

Finance Sponsored Program Manager Support

Remember - Finance reorganized work activities at Workday go-live

Historically, you would reach out to one person for a Federal Grant closeout and a different person for a Non-Federal/Federal Contract closeout based upon award type

Now, each department/division has been assigned a Sponsored Program Manager to support a portfolio of all awards for transaction review of journals, PAAs/PCAs and financial closeout activities – *regardless of sponsor type*
- Majority of your grant related activities should be completed in coordination with the person assigned to your area.
- If you have any questions, please contact your Sponsored Program Manager

Link: Pre and Post Award Central Office Department Contact List

NOTE: The structure of Staci Turner's team that generates <u>monthly invoices</u> (not closeouts) and applies payments remained the same at go-live (not portfolio based)

Completing Award Closeout Task

Department Grants Manager should complete assigned Award Closeout Task

- This action alerts Finance Sponsored Program Manager to review closeout and submit to sponsor
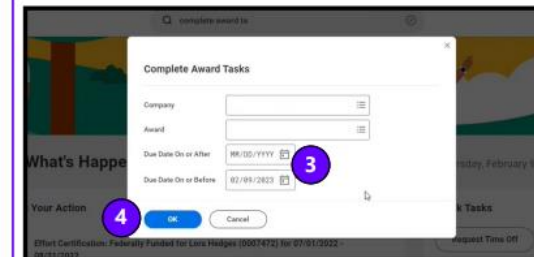
Financial Reporting Close-Out Updates

Departments must complete Award Closeout Task by **award task due date** to reduce/eliminate risk of financial reports being late to sponsors
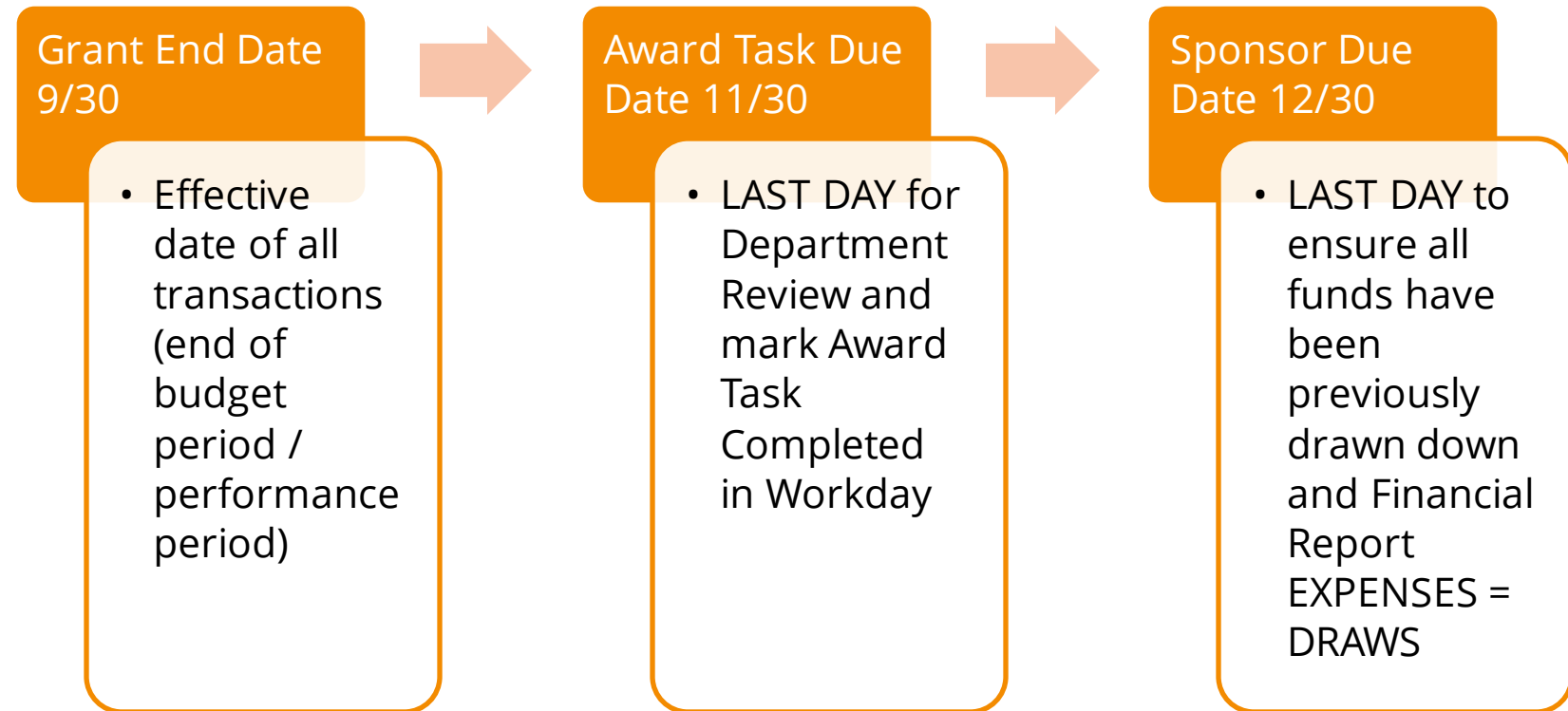
Complete all journals, adjustments, submit final invoices to be paid, etc. before Award Task Due Date – best practice is that transactions occur before the Grant End Date (during the budget period)

Don't forget to update any PCAs for next budget period – aim to do this before the payroll deadline

Grant End Date 9/30	Award Task Due Date 11/30	Sponsor Due Date 12/30
• Effective date of all transactions (end of budget period / performance period)	• LAST DAY for Department Review and mark Award Task Completed in Workday	• LAST DAY to ensure all funds have been previously drawn down and Financial Report EXPENSES = DRAWS

Payment Management System states: "Federal grants management policy specifies that within 90 days of the performance period end date, the grant recipient must submit its final financial report and have drawn all funds spent for the grant unless the awarding agency extends the grant award."

Financial Reporting Close-Out Updates

How does an Award Closeout Task not completed by **award task due date** put us at risk of financial reporting being late to sponsors?

- Sponsor due dates for financial reports vary depending on terms and conditions within each award agreement
- The volume of awards does not allow enough time to process every award due on the date, so we vary the due dates throughout the month due to provide adequate time for review, accounting journals and adjustments to post, an invoice to be generated, cash to be drawn, and submission of the **expense report that must equal the draws** to the sponsor
- Federal Payment Management System now requires we draw down all funds within 90 days during the last segment of the award (regardless if their due date for the actual report is 120 days)
  - We MUST draw the funds **before the 90-day requirement** AND **submit a financial report where expenses = the funds drawn** to prevent the funds being flagged as expired in the PMS system and/or the financial report being rejected
  - If funds are flagged as expired, the process to request the funds involves agency approval and is cumbersome and not guaranteed
  - If funds are expired or reports are delinquent the PI is notified, and we want to avoid that

Financial Reporting Close-Out Updates

How does an Award Closeout Task not completed by **award task due date** put us at risk of financial reporting being late to sponsors?

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

PSC | Payment Management System

Payment Request - View Request

Your Payment Request includes funds being requested from restricted and/or expired grant funds which requires Awarding Agency approval. Once the approval is received, payment will be processed by PMS.

```
INQUIRY: SA-G        DATE: 09/13/2023  TIME: 01:55:26 PM

-----------------------------------------------------
-------------------------------------------------------------
-------------------------------------------------------------
ACCOUNT** *PIN*
E1397P1   E1397

SUBACCOUNT           ******AUTHORIZED****** ******PAYMENTS******* ***FUNDS AVAILABLE***

RAI108197CCV                   $913,786.00          $888,484.98          $25,301.02
                                                                         $25,301.02 AVAILABLE AMT > 90 DAYS (EXPIRED)
```

Procurement Accruals at Award Closeout

Procurement Accruals at Award Closeout

- At closeout, it is important to be aware of unpaid expenses that may need to be billed/reported to the sponsor.

- If the item(s) have been received/ used to support the aims of the project, but the expense is not paid, department users should be working with post award to evaluate if the unpaid expense is billable and needs to be included in the final invoice/ financial report for your award.

Journal sources used for procurement accruals

Receipt Accrual

68. Supplier Invoice Exception Accrual – *new for October close*

Mandatory Cost Share

Mandatory Cost Share

Types of Cost Sharing

Mandatory Cost Sharing

- Required by the sponsor

- Quantified in the award proposal

- Condition of receiving the award

- Represents a binding commitment that must be captured and documented

Note: If cost share is not required as a condition of receiving an award, it does not constitute mandatory cost sharing.

Voluntary Committed Cost Sharing

- Not required by the sponsor

- Quantified in the award proposal

- Represents a binding commitment that must be captured and documented.

Note: Voluntary committed cost share includes proposals that contain quantifiable commitments from the department or faculty

Mandatory Cost Share

FAQs

When do I need a cost share grant?

Cost share grants are required when you have a mandatory cost share commitment OR a voluntary cost share commitment.

Should I request a cost share grant to track expenses I am incurring if I spend more than my awarded amount (voluntary uncommitted cost share)?

No. Cost share grants are only established when commitments are required be reported or tracked (i.e. mandatory cost sharing or voluntary committed cost sharing). Expenses generated more than the awarded amount should simply be charged to another source of funding.

How do I obtain a cost share grant?

Submit a request for a cost share grant via the PEER action request form. Click here for instructions on how to do so.

Mandatory Cost Share

FAQs (cont'd)

How do I fund the expenses on my cost share grants?

Cost share grants are not funding sources for cost share commitments. Cost share grants are a means to track mandatory, or committed cost share that must be tracked for reporting and/or audit purposes.

A new spend category is created to be used to record cost share commitments. To fund the expenses, journal entries should be processed to record expense on the funding source, and offset the expense on the cost share grant.

Submit Journals with an Accounting Journal Request. Click here for instructions on how to do so.

Use the information in the table when completing an Accounting Journal Request for cost share expenses.

	Ledger Account	Revenue Category	Worktag
Debit	6400	SC457	Funding source
Credit	6400	SC457	Cost Share Grant

SC457 = Mandatory Cost Share Commitment

NEW!

Mandatory Cost Share

FAQs (cont'd)

How frequently should I process transfers to fund cost share expense?

Your cost share commitments (both mandatory and voluntary) are known amounts. A journal can be processed at the time the award line for the cost share grant is established. Subsequent journals can be processed if there were a change that would impact the committed cost share dollars. Using another sponsored grant or contract is not an allowable source of funding to use for this purpose.

<u>Note</u>: If your cost share commitment is effort, multiply the base pay of the employee's monthly salary by the effort on the cost share award line. The division/department can manually complete these cost share journals (revenue transfers) monthly, quarterly, or yearly.

Journal Entry Lines 2 items

Company	Ledger Account	Debit Amount	Credit Amount	Memo	External Reference ID	Spend Category	Revenue Category	Gift
Vanderbilt University Medical Center	6400:Other Services and Expense ...	5,000.00				SC457 Mandatory Cost Share Commitment		
Vanderbilt University Medical Center	6400:Other Services and Expense		5,000.00					

Completed journals that have been processed to fund cost share expenses

Effort Certification Very Important Items to Note:

Effort Certification Reviewer Role Assignments have been assigned. A private Teams channel has been created to support these individuals.

Effort Certification should not be approved, or changes submitted until after the Effort Certification Reviewers have completed initial training. Meetings are scheduled for this week and ongoing daily office hours will follow indefinitely.

PAAs in workflow will prevent an individual's Effort Certification from being created.

Please notify your Payroll Costing Initiators: Since the effort certification process has started in Workday, PAAs can not be initiated for the individual for the period (March 26-September 30) until the individual's certification is complete. At this time, any changes that are needed for periods prior to September 30 should be completed as part of the effort certification Administrative Review.

Our Next Meeting: November 16th