CGA Transactions Training

Contract and Grant Administration

Presenters:
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AGENDA

1. Account Explorer Demo – RC109238
2. Allowable Expenses
3. General Error Corrections (GECs)
4. International Travel
5. Treatment of Specific Expenses - Meals
Account Explorer: *restricted to MSU employees*

- **CGA view into the contractual and financial parts of an award without using KFS.**
  - Provides account specific notes.
  - Identifies PI and departmental administrator responsibilities.
  - Updated throughout life of a project to reflect accurate award information.
  - Identifies subcontractor information per award.

- **Provides functions not easily available in KFS.**
  - Budget vs. Actual (easily accessible)
  - Subcontractor encumbrances
  - Cost Share
  - Payroll (easily accessible)

webpage: [https://www.cga.msu.edu/PL/Accounting/AE2/AE2.aspx#Account](https://www.cga.msu.edu/PL/Accounting/AE2/AE2.aspx#Account)
Allowable Expenses

- University Policies
  - Travel Policy
  - Federal/State Cost Policy
- 2 CFR 200 – Uniform Guidance
- Agency Specific Terms and Conditions
- Award Terms and Conditions

Use the **more restrictive** of MSU University policy and agency policy if differences exist
Allowable Expenses

Documentation:
- Business Purpose (allowable, reasonable, allocable, necessary)
  - Is the item(s) needed to complete the project objectives?
  - How is the item used in direct support of the project?
- Expense incurred within Project Period
  - Was it received and used by the project end date?
    - [https://www.cga.msu.edu/PL/Portal/213/NeededReceivedandUsed](https://www.cga.msu.edu/PL/Portal/213/NeededReceivedandUsed)
- Supporting documentation such as:
  - Receipts/invoices matching the amount being reimbursed
- Accuracy
General Error Corrections

Definition: A GEC is used for cost transfers to correct errors. Since these are error corrections, these transactions are considered high risk and typically selected in audit. Complete documentation is required.

When to use a GEC:
- To correct a previous transaction made in error.
- Retroactive changes over 90 calendar days.
  - Cost Transfer Form (federal/state funded)
- RC account to RC account transfers, expect between Parent/Child accounts since those can be processed on a DI.
- Remove allowable expenses from an overdraft.
General Error Corrections

- **Required Documentation**
  - Operating Statement or eDoc reference #
  - Business Purpose
  - Explanation how error occurred when transferring from RC to RC

- **Cost Transfer Form**
  - Includes a transfer to an RC account that is funded by a federal or State of Michigan entity, AND
  - Is requesting the transfer of an expense(s) that was incurred more than 90 calendar days from the date CGA receives the request.
  - Completion of form does not guarantee approval. Each transaction will be reviewed on a case by case basis. Additional information may be required.
  - [https://www.cga.msu.edu/PL/Portal/139/CostTransfersApprovalDocumentation](https://www.cga.msu.edu/PL/Portal/139/CostTransfersApprovalDocumentation)
General Error Corrections

Michigan State University

Cost Transfer Request Form

This form must be completed and attached to all transfer requests which are over 90 calendar days and charging a federally or state funded restricted (RC) account. For additional information regarding cost transfers, please see CGA’s website at Cost Transfer Information.

Expense Type:
Please check all that apply.

- [ ] Personnel
- [x] Non-personnel

Transfer Information:

<table>
<thead>
<tr>
<th>Date of Expense</th>
<th>Reference Number</th>
<th>Account From</th>
<th>Account To</th>
<th>Transfer Amount *</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/1/2019</td>
<td>21056875</td>
<td>DN Account</td>
<td>RC Account</td>
<td>1205.00</td>
</tr>
</tbody>
</table>

Please provide an explanation how the expense supports the account being charged (business purpose). *If the transfer is a partial amount, please also provide an explanation for the how the allocation was determined.

Purchase of dry ice for field sample storage in support of this grant.
General Error Corrections

Please note that CGA may request additional documentation for some high risk situations such as: RC to RC account transfers, transfers near the end of an award, etc.

**Reason for Cost Transfer Request:**

- [ ] Incorrect account number charged initially
- [ ] RC account number recently assigned or modified *(If within 60 calendar days of assignment or modification, skip following question)*

- [ ] Other extenuating circumstance:

**Please provide an explanation for the delay in processing the expense:**

Due to turnover within department, there was a delay in reviewing the monthly Operating Statements for accuracy.

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**P.I. Signature**

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**Date**

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**Chair/Director Signature** *(required if transfer greater than $10,000)*

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**Date**
General Error Corrections

- Acceptable comments on GEC’s:
  - “Remove allowable costs due to lack of funds”
  - “Transfer expenditures to continuation project”
  - “Transfer expenditures to proper account. New account recently assigned”

- Comments on GEC’s that will require additional explanation, or should not be used:
  - “Move expenditures due to an overdraft” Note this is RC to RC transfer
  - “Transfer expenditures to accounts with available funds”
  - “Transfer to correct account” without additional information
  - No explanation of why expenses are being moved
International Travel

- Travel Expense Report in KFS, auto generated in Concur
- Agenda for conference
- Airfare – Direct billed itinerary
  - Economy or Coach Class unless documented medical reason for upgrade, or flight duration is longer than five hours
  - Fly America Act Compliant – If Federal/State funded
- All receipts
- Lodging – Exclude additional expenses that are included on the invoice such as laundry, minibar, room service, movies, etc.
- Note personal travel
- If allocated between multiple accounts, clear explanation how amounts were determined
- Note: if reimbursed for actual meal costs as part of a conference or a business meeting, M&IE cannot be claimed
Treatment of Specific Expenses

- **Meals**
  - Often considered unallowable.
  - If submitted will be reviewed for allowability on a case-by-case basis considering the following factors:
    - Business purpose
    - Length of event/meeting
    - Participation of non-MSU employees
    - Necessity of the expense
    - Agency approved budget
    - Agency or award specific guidelines

- **Required documentation:**
  - Agenda
  - List of participants
  - Business purpose
## Treatment of Specific Expenses

### Meals

<table>
<thead>
<tr>
<th>Cost</th>
<th>Allowable</th>
<th>Unallowable</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSU employee meals when they are in travel status</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Meals as part of a project conference (See Meetings and Conference section of Federal/State Cost Policy)</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Meals for potential project personnel as part of recruiting</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Meals for non-MSU, non-federal visitors/collaborators</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Meals for MSU employee participation in recruiting, when the employee is the decision maker</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>MSU employee meals when they are not in travel status, except as identified below in “additional information”:</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Meal costs for MSU employee participation in “working” meals</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Meals for meetings in which technical information is shared between MSU project personnel only (i.e. lab/staff meetings)</td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>

### Additional Information

- As indicated in the chart above, often meal expenses are considered unallowable. If meal expenses are submitted, they will be reviewed for allowability on a case-by-case basis, considering some or all of the following factors:
  - Business purpose
  - Length of event/meeting
  - Location of event/meeting
  - Participation of non-MSU employees
  - Necessity of the expense
  - Agency approved budget
  - Agency or award specific guidelines

- Required documentation with meal transactions include: agenda, list of participants and business purpose.
- The cost of meals for potential project personnel as part of recruiting should be charged in proportion to the percentage of anticipated effort on the project.

### References

- 2 CFR 200.463
- [https://ctir.msu.edu/COMBP/mbp45FBS.aspx](https://ctir.msu.edu/COMBP/mbp45FBS.aspx)
- [https://ctir.msu.edu/COMBP/mbp46FBS.aspx](https://ctir.msu.edu/COMBP/mbp46FBS.aspx)
Thank you!

**Contact Information**

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