COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

FINANCIAL OPERATIONS AND COMPLIANCE

SPONSORED PROJECTS FINANCE

Frequently Asked Topics by Research Administrators

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I.   Introduction

This reference guide has been created to help orient new research administrators to the structure of post-award sponsored research management at Columbia University. Some of the most frequently asked topics are covered in detail. Additional resources can be found at the sponsored projects finance website here.

II.   Roles and Responsibilities Chart

Key
Dept - PI, DA, Grants Management Personnel
SPA - Senior Project Officers, Financial Analysts
SPF - Project Managers [department assignments]
RPIC – Urszula Gonera (GRA), Kristi Bazata(Salary/Effort),   Renotta Young(Audit)

Project Set-up	Dept	SPA	SPF	RPIC
ARC project number		X		
ARC budget set-up and adjustments	X	X		

Financial Management during Life of Award	Dept	SPA	SPF	RPIC
Initiate financial transactions (payroll, AP, ITF, recharge centers)	X			
Approve financial transactions	X		X	X
Initiate rebudgeting request	X			
Approve/execute rebudgeting request		X		
Initiate no cost extensions or advance	X			
Approve no cost extension or advance		X		
Monitor expenditures charged to project	X			
Annual expenditure review/validation	X			

Financial Reporting and Invoicing	Dept	SPA	SPF	RPIC
Interim invoicing/reporting			X	
Dept billing/invoicing	X		X	

Outbound Subcontracts	Dept	SPA	SPF	RPIC
SAPO management		X		
Review and approve invoices for payment	X			
Subrecipient monitoring	X			
SAPO liquidation	X		X	

Program Income	Dept	SPA	SPF	RPIC
Monitor program income	X			

Effort Certification	Dept	SPA	SPF	RPIC
Review and certify effort reporting	X			X

Cash and Accounts Receivable	Dept	SPA	SPF	RPIC
Collections effort	X		X	
Budget updates based on receipts	X	X		
Review cash received	X		X	

Financial Closeout	Dept	SPA	SPF	RPIC
Reconcile POs and SAPOs	X			
Liquidate/close POs and SAPOs	X		X	
Reconcile travel advances and petty cash	X			
Budget reductions		X		
Expense validations	X			
Reconcile unliquidated obligations	X			
Prepare and submit Final invoice or financial report			X	
Refunds/Funds Transfers	X		X	
Monitor mandatory and voluntary cost share	X			
Carryover requests	X	X	X	
Supplies disposition	X		X	
Equipment disposition	X			
Closeout packages - release, inventions, equipment forms	X	X	X	
Early termination/relinquishment	X	X	X	
X-train terminations	X		X	
Activity reactivation(extensions)			X	

Audits	Dept	SPA	SPF	RPIC
Facilitate audit requests			X	X
Provide requested supporting documentation	X		X	

III.   Frequently Asked Topics

A. Department Billing

Sponsored Projects Finance (SPF) is responsible for the invoicing of the vast majority of sponsored projects. However, departments are responsible for invoicing those projects whose "Bill Type" is "06 – Department." The Bill Type attribute can be found in the Sponsored Projects section of the Project Information Report (PIN).

The "06 – Department" Bill Type is typically selected for projects by Sponsored Projects Administration (SPA) when the sponsor requires that invoices contain information not available in ARC, such as patient enrollment data, progress on scientific milestones, fees for services, or other detail.

For "06 – Department" Bill Type projects, the department should:

1. Prepare the invoice per funding agency requirements, and include:
   a. The lockbox remittance address :
      i. The Trustees of Columbia University
         Sponsored Projects Finance (SPF)
         PO Box 29789
         General Post Office
         New York, NY 10087-9789
   b. An invoice number in this format: DPXXXX01 or DGXXXXX01
      i. DP = Dept. Private (PG…), or DG = Dept. Gov (GG…)
      ii. XXXX = Last 4 digits of project number
         1. PG003725 -> 3725
         2. Where there are 5 non-zero numbers, include 5: PG019845 -> 19845
      iii. 01 = Sequential numbers
         1. Next invoice would be "02"
         2. For example, the third department prepared invoice for PG003725 would be: "DP372503"
   c. When the invoice template permits, include the language "Please include invoice # DPXXXX01 on the payment."
2. Submit the original invoice and backup documentation, such as the project reconciliation and a detailed breakdown of patient charges, to your SPF Project Manager for review and signature. They should be submitted within 5 days of the submission deadline.*
3. SPF will:
   a. review,and if appropriate, approve and sign the invoice
   b. record a corresponding receivable in ARC
   c. mail the invoice to the sponsor - alternate mailing arrangements may be made
   d. return a copy to the department

If you receive a payment directly, please forward it immediately to the lockbox remittance address above.

*Financial reports prepared by the department that require SPF review should also follow from step 2.

B. Transactions

There are two ways to move expenditures onto, off of, or between Sponsored Projects in ARC. It can be done by AP Journal Voucher or GL Internal Transfer. The method to be used should be the same as that used in the original source of the expense.

AP Journal Voucher (AP JV) – Job Aid here
   1. Used to:

a. Move expenses (vouchers) incurred in ARC for AP sources
    i. Debit = positive number = charging onto project
    ii. Credit = negative number = removing off of project
b. Correct natural account of expense when original expense was applied using AP Journal Voucher
2. Initiator will be prompted to complete the Internal Transfer Justification Form online
3. Will be routed to SPF for approval only when expenses have aged more than 90 days from the end of the month in which the voucher accounting date falls, and they are being moved to or between Sponsored Projects

GL Internal Transfer (GL ITF) – **Job Aid here**

1. Used to:
    a. Move expenses incurred in ARC for non-AP sources
    b. Move expenses incurred on projects internal to one department in service of sponsored projects external to that department
        i. Known as an "Inter-Departmental Invoicing" (IDI)
2. Requires debit/credit of "matched pair" (identical) natural accounts
3. Will always be routed to SPF for review and processing
4. Required backup documentation
    a. ARC financial detail statement highlighting the date on which the expense was originally applied required when moving expenses incurred
    b. Internal Transfer Justification Form
    Attach both by selecting header tab > attachment →
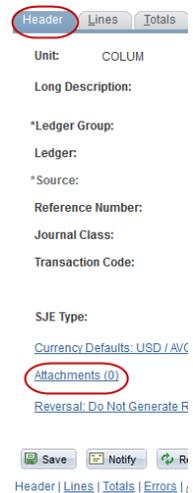
Inter-Departmental Invoicing Instruction

Below process is for Inter-Departmental Invoicing when department has not obtained a restricted license

1. Complete Internal Transfer Justification Form
2. Initiate and save the internal transfer, and export lines to Excel
    a. Export to Excel by clicking on the table icon on the top-right of the lines tab
        →
3. Email RPIC (Kristi Bazata,klv2102@columbia.edu) requesting email approval of internal transfer,   attaching these items to email:
    a. Internal Transfer Justification Form
    b. Excel export of internal transfer lines
    c. Copy of the billing department's invoice
    d. Any supporting documentation
4. If and when received, attach email approval from RPIC, and items a-d (above) to the internal transfer using the attachment feature
5. Submit the internal transfer

Matched Pair & Recovery Natural Account Instruction

1. If the chartstring you are affecting includes a department that **is not** a service or recharge center:
    a. Initiate the Internal Transfer Journal Entry in ARC. If the natural account selected has a matched pair the matched pair will automatically populate when the first natural account is entered.
    b. If the matched pair that auto-populates is a "Recovery" natural account, override the natural account and use the same natural account on both the debit and credit side of the transaction.

2. If the chartstring you are affecting includes a department that **is** a service or recharge center:
   a. When making a correction to a service/recharge center transaction, the matched pair must always be used; however, the "Recovery" natural account should always be associated with the service/recharge center project. It should not be used on the sponsored project.
   b. To correct the initial transaction, reverse the signs of the transaction amount on the original transaction.

Routing and Approval Queue

Once the journal entry has been submitted, it will route through a queue for multiple levels of approval. If SPF approval is required and reflects the state of Pending, then use the Notify feature within the module to send an email to the appropriate SPF PM for approval. It is important that this feature is used as it is the only way the SPF PM will know that there is a journal pending his or her approval.

C. Transaction Errors

Activity Errors

If the Activity number is highlighted in red and ARC provides an error message, then it generally indicates that the activity would need to be reactivated. Alert your SPF PM of the issue, who will then review and reactivate the activity if appropriate.

Activities are inactivated automatically on the 90th, 60th, or 40th day after the end date of the activity.
-90 days for NIH and NSF prime grants and cooperative agreements
-60 days for all other prime awards, including non-federal awards, and NIH & NSF contracts
-40 days for all inbound subawards made to Columbia

Reactivation of activities to credit/remove expenses from the project will generally be accepted. However, reactivation of activities to debit/charge expenses to the project will require a justification of extenuating circumstances. The justification should be sent to the SPF PM, who will then evaluate the request along with SPF management to determine whether it is appropriate. Once the review has concluded and a decision is rendered, the SPF PM will notify the department.

Budget Status Errors

If the "Budget Status" of the journal entry displays "E" then this indicates that there are budget errors that need to be resolved before it can be submitted for approvals.

The error "No Budget Exists" will require a zero dollar FY budget to be input for the project via BudgetTool by the department or a correction to the department and activity numbers used in the lines.

The error "Budget Date Out of Bounds" can be cleared by emailing your SPF PM with the journal entry number. The SPF PM can override the error.

Note: Once the override is complete, exit the journal entry and go back into it. The "E" will become a "V" indicating that it is validated and ready for submission. Any changes made to the journal entry aside from saving an attachment will require another override to be done.

D. Closing POs and SAPOs

There are two ways to close a PO or SAPO – Job Aid here

1. On the PO Voucher - If you have a PO voucher, you can close the PO directly on the voucher

2. On the PO - If you do not have any PO vouchers, you can liquidate the PO in ARC through the purchasing module. In order to do this, please note:
   A) The PO has to be in 'Amount Only' mode in order to change the merchandise amount to $0.
   B) You cannot save a $0 PO in 'Amount Only', so once you have changed the Merchandise
   Amount to $0, you will have to change the PO to 'Quantity Only' before you save and run the budget check.

E. Audit Requests

All audit requests received should be forwarded to Renotta Young, Deputy Controller (renotta.young@columbia.edu). She will facilitate the request and review the supporting documentation that will be submitted.

F. Cash and Accounts Receivables

This a step by step guide that will show the financial reports used to determine the total amount of cash in a project by Trial Balance report and by Sponsored Project Net Receivables Account Detail(NRAD) report.

Location of Financial Reports

1. Go to the ARC Portal and select Go to FDS.

2. Select the Documents tab.

Total Cash by Trial Balance Report

1. Open the folders Public Folders -> ARC -> Project Lifecycle Reports and then open the report Sponsored Project Financial – Summary by Budget Category. If the report does not appear in the list then check the following pages with the arrows at the top right.

2. Select the Fiscal Year, Accounting Period, and enter the Project then run the report. Generally, the current year/month should be used.

3. From the financial report, select Trial Balance by CF. Also, take note of the Project to Date Total Expense amount. This will be used to calculate the cash in the project.

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Financial Data Store

Columbia University
Sponsored Project Financial Report - Summary By
As of 02/28/2017

			Actual to Date (Does not include Accruals)			
Account	Account Description	Project Budget	Month Actuals	Fiscal Year to Date	Project to Date	Balance Before Commitment
50000	SALARY AND WAGES	66,443.00	1,305.92	19,958.06	44,565.01	21,877.99
59000	FRINGE BENEFIT CHARGE	19,951.00	385.24	5,887.57	13,392.66	6,558.34
61400	SUPPLIES AND MATERIALS	500.00	0.00	0.00	0.00	500.00
62000	PUBLICATIONS	1,500.00	0.00	0.00	0.00	1,500.00
63400	COMMUNICATIONS	500.00	0.00	0.00	11.05	488.95
64000	SERVICES	695.00	0.00	695.00	695.00	0.00
64500	CONSULTANTS	30,070.00	0.00	0.00	14,994.68	15,075.32
65200	DOMESTIC TRAVEL	12,858.00	0.00	1,996.68	3,897.09	8,960.91
69990	UNEXPENDED	(22,307.00)	0.00	0.00	0.00	(22,307.00)
Total Direct Expense		110,210.00	1,691.16	28,537.31	77,555.49	32,654.51
69800	F&A DEDUCTION	13,251.00	169.12	2,853.79	7,755.59	5,495.41
Total F&A Expense		13,251.00	169.12	2,853.79	7,755.59	5,495.41
Total Expense		123,461.00	1,860.28	31,391.10	85,311.08	38,149.92

If the project is closed, the ARC report will not populate when it is first run. Open the prompt panel on the left by selecting the (?) and change the Project Status to All. Then select Apply.
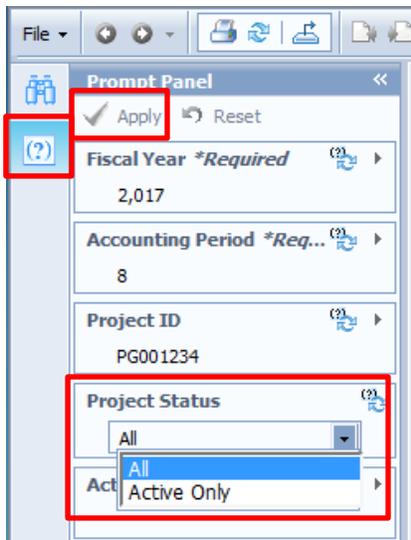
4. The Trial Balance report will show the Claim on Cash, which is the balance between cash and expense in the project. If the Claim on Cash amount is a positive number then it indicates that there is a surplus of cash in the project. A negative number will indicate a deficit.
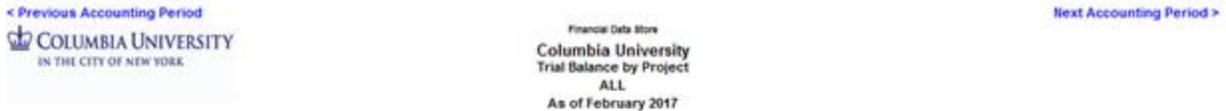
To calculate the cash in the project, follow the formula below:

Cash = Expenses + Claim on Cash

Cash = 85,311.08 + (-23,599.29)

Cash = 61,711.79

In this example, the cash appears to be lower than the expenses. Therefore there is a deficit(negative Claim on Cash) in the project.

< Previous Accounting Period   Next Accounting Period >

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Financial Data Store
Columbia University
Trial Balance by Project
ALL
As of February 2017

Account Type	Account	Account Description	Previous Month Balance	Current Month Activity	Balance as of 02/28/2017	Balance as of 06/30/16	Variance Amount	Variance %
ASSETS		Claim on Cash	(21,739.01)	(1,860.28)	(23,599.29)	(4,212.11)	(19,387.18)	460.27%
ASSETS	13400	PRIVATE G&C UNBILLED AR	3,720.57	1,860.28	5,580.85	4,212.11	1,368.74	32.50%
ASSETS	13410	PRIVATE G&C BILLED AR	79,730.23	0.00	79,730.23	49,707.87	30,022.36	60.40%
ASSETS	13420	PRIVATE G&C COLLECTED AR	(61,711.79)	0.00	(61,711.79)	(49,707.87)	(12,003.92)	24.15%
REVENUES	42000	PRIVATE G&C REVENUE-DIRECT	(26,846.15)	(1,691.16)	(28,537.31)	(49,018.18)	20,480.87	(41.78%)
REVENUES	42100	PRIVATE G&C REVENUE-F&A	(2,684.67)	(169.12)	(2,853.79)	(4,901.80)	2,048.01	(41.78%)
EXPENSES	50020	ASSOC PROF (TENURED)	9,666.72	690.48	10,357.20	6,033.28	4,323.92	71.67%
EXPENSES	50110	ASSOC PROF (NONTENURED)	0.00	0.00	0.00	8,480.45	(8,480.45)	(100.00%)
EXPENSES	54815	UNION-HEALTH RELATED TECHNICN	8,985.42	615.44	9,600.86	10,093.22	(492.36)	(4.88%)
EXPENSES	59010	FRINGE BENEFIT CHARGE	5,390.47	377.41	5,767.88	6,668.44	(900.56)	(13.50%)
EXPENSES	59020	FRINGE ADDITIONAL	111.86	7.83	119.69	836.65	(716.96)	(85.69%)
EXPENSES	63450	FREIGHT & PARCEL SHIPPING	0.00	0.00	0.00	11.05	(11.05)	(100.00%)
EXPENSES	64335	MEMBERSHIP COSTS	695.00	0.00	695.00	0.00	695.00	N/A
EXPENSES	64505	CONSULTANTS-GENERAL	0.00	0.00	0.00	14,994.68	(14,994.68)	(100.00%)
EXPENSES	65205	DOMESTIC TRAVEL-GENERAL	1,996.68	0.00	1,996.68	1,900.41	96.27	5.07%
EXPENSES	69811	F&A DEDUCTION PRIV ALLOCATION	2,684.67	169.12	2,853.79	4,901.80	(2,048.01)	(41.78%)
Total Balance			$0.00	$0.00	$0.00	$0.00	$0.00	

To directly go to this report from the Documents tab, open the folders Public Folders -> ARC -> Trial Balance Reports then the report Trial Balance by ChartField. Then enter the required data and project number.

Total Cash by Net Receivables Account Detail Report (NRAD)

1. Alternatively, the Sponsored Project Net Receivables Account Detail Report(NRAD) can be used to determine the cash in a project. Open the folders Public Folders -> ARC -> Project Lifecycle Reports and then open the report Sponsored Project Net Receivables Account Detail Report.

2. Select the Fiscal Year, Accounting Period, and enter the Project then run the report.

3. The NRAD will display the Total Net Receivable amount, which is the balance between cash and expenses in the project. Unlike the Trial Balance report, the NRAD report represents a surplus of cash with a negative number and a deficit with a positive number.

To calculate the cash in the project, follow the formula below:

Cash = Expenses – Total Net Receivable

Cash = 85,311.08 – 23,599.29

Cash = 61,711.79

< Previous Accounting Period   Next Accounting Period >

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Financial Data Store

Columbia University
Sponsored Project Net Receivables Account Detail Report
As of February 2017

Project To Date Budget: 123,461.00
Project To Date Expenses: 85,311.08
Project To Date Accruals: 0.00

Account Segment	Project to Date Amount
13400 - PRIVATE G&C UNBILLED AR	5,580.85
13410 - PRIVATE G&C BILLED AR	79,730.23
13420 - PRIVATE G&C COLLECTED AR	(61,711.79)
Total Accounts Receivable	23,599.29
Total Net Receivable (Refundable Advance)	23,599.29

TOTALS BY TYPE

Unbilled *(PRIVATE G&C UNBILLED AR)*	5,580.85
Billed *([PRIVATE G&C AR.AR Billed] + PRIVATE G&C BILLED AR)*	79,730.23
Cash Received *([PRIVATE G&C AR.AR Collected] + PRIVATE G&C COLLECTED AR *)*	(61,711.79)
Adjustments *([PRIVATE G&C AR.AR Adjustments])*	0.00
Refundable Advance	0.00
Total Net Receivable (Refundable Advance)	23,599.29
Less Accruals *(Accruals)*	0.00
Total Net Receivable (Refundable Advance) excluding accruals	23,599.29

Identifying Specific Payments Received

The preferred method to identify payments received is through the NRAD report. The report will list out every line entry under the specific natural account for the life of the project. It is also possible to view the payment through the Trial Balance report, however separate reports would need to be run by Fiscal Year.

1. Open the NRAD report for the project and select the amount under the natural account 13420 for the detailed drill-down report.

    In general, the natural account 13420 is used for PG projects and 13020 for GG projects to represent payments received. There is a possibility for payments to have posted to natural

accounts in the 20-thousand series (I.E. 21200, 21230, 22010), which should also be drilled-
down and reviewed if they appear on the NRAD report.

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Financial Data Store
Columbia University
Sponsored Project Net Receivables Account Detail Report
As of February 2017

Project To Date Budget: 123,461.00
Project To Date Expenses: 85,311.08
Project To Date Accruals: 0.00

Account Segment	Project to Date Amount
13400 - PRIVATE G&C UNBILLED AR	5,580.85
13410 - PRIVATE G&C BILLED AR	79,730.23
13420 - PRIVATE G&C COLLECTED AR	(61,711.79)
Total Accounts Receivable	23,599.29
Total Net Receivable (Refundable Advance)	23,599.29
TOTALS BY TYPE	
Unbilled *(PRIVATE G&C UNBILLED AR)*	5,580.85
Billed *([PRIVATE G&C AR.AR Billed] + PRIVATE G&C BILLED AR)*	79,730.23
Cash Received *([PRIVATE G&C AR.AR Collected] + PRIVATE G&C COLLECTED AR *)*	(61,711.79)
Adjustments *([PRIVATE G&C AR.AR Adjustments])*	0.00
Refundable Advance	0.00
Total Net Receivable (Refundable Advance)	23,599.29
Less Accruals *(Accruals)*	0.00
Total Net Receivable (Refundable Advance) excluding accruals	23,599.29

2. The drill-down report shows each journal entry line that hit the natural account which
    represents individual payments. Review the Transaction Description for each line to determine
    if it is an actual payment. There are other postings such as deferred revenue entries that hit the
    natural account, but do not impact the amount of actual cash.

    A credit amount indicates that a payment has been deposited into the account.
    A debit amount indicates that a payment has been taken out of the account.

    This project has received a total of $61,711.79.

BU	Fund	Account	Journal Date	Transaction Description / Vendor Name	Source	Voucher Line Description or Journal Line Ref.	Amount
COLUM	25	13420	12/29/2015	PRIVATE G&C COLLECTED AR	ONL	MP123401	(4,618.71)
COLUM	25	13420	02/03/2016	PRIVATE G&C COLLECTED AR	ONL	MP123403	(3,944.10)
COLUM	25	13420	02/03/2016	PRIVATE G&C COLLECTED AR	ONL	MP123402	(1,215.90)
COLUM	25	13420	03/08/2016	PRIVATE G&C COLLECTED AR	ONL	MP123404	(4,371.92)
COLUM	25	13420	04/05/2016	PRIVATE G&C COLLECTED AR	ONL	MP123405	(2,921.68)
COLUM	25	13420	05/12/2016	PRIVATE G&C COLLECTED AR	ONL	MP123406	(22,444.38)
COLUM	25	13420	06/29/2016	INV MP723207	ONL	MP123407	(10,191.18)
COLUM	25	13420	08/17/2016	INV MP723208	ONL	MP123408	(4,212.11)
COLUM	25	13420	09/23/2016	INV MP723209	ONL	MP123409	(3,369.89)
COLUM	25	13420	11/23/2016	INV MP723210	ONL	MP123410	(4,421.92)
Sub-Total PG001234/							(61,711.79)
Grand Total							(61,711.79)

Important things to know when reviewing each line:

- Exclude entries for all projects made under the Sources: ALL
- Exclude entries for only PG projects made under the Source: CNV
    - PG projects that existed in the legacy system will require a review of the DARTS account for payments received each fiscal year
- Exclude amounts posted for the descriptions that contain QX, JEXX, reclass, and reclassification

BU	Fund	Account	Journal Date	Transaction Description / Vendor Name	Source	Voucher Line Description or Journal Line Ref.	Amount	
COLUM	25	22010	04/11/2013		ALL		838.58	exclude
COLUM	25	22010	10/31/2011		CNV		3,062.40	exclude
COLUM	25	22010	09/30/2014	Q1 to Deferred	ONL		(52,323.22)	exclude
COLUM	25	22010	03/31/2014	Reclassification of PG Advance	ONL		22,685.13	exclude
COLUM	25	22010	09/30/2015	PG Reclass AR to Deferred Q1	ONL	APECTRL047	(53,866.09)	exclude
COLUM	25	22010	06/30/2013	JE22 ADJ PG 22010	ONL	APECTRL047	(44,822.00)	exclude
COLUM	25	22010	10/08/2012	RiverkeE0714090B092090R2810562	ADV	070812Z218	(44,822.00)	include
Sub-Total PG001234/							(161,243.38)	

*If the project converted from the legacy system to ARC, it is possible that there may be a conversion issue and the amounts may not reflect accurately for both Trial Balance and NRAD reports. Please check with your SPF Project Manager to confirm total cash received.