



NEWS FROM GCA

GRANT & CONTRACT ACCOUNTING

2023 1st Quarter Newsletter

Next GCA Forum

May 2023, Day and Time (TBD)

Zoom info will be sent prior to event.

This upcoming Forum will be about **Financial Transformation**. Please submit your questions to us through this [survey](#). Recording and slides from past forums can be found [here](#).

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Important Information for Cutover

Last Day GCA Will Process Items – June 13, 2023

Per our announcement at [MRAM](#), the last day GCA will process **final and ready to be processed** Advance Budgets, advance extensions, Transpasus, as well as items that arrive from OSP is **June 13, 2023**.

Items that cannot be processed will need to be **reprocessed** after UWFT & SAGE Awards Go-Live.

During the cutover period GCA will be completing Workday training and validating data for cutover.

Advance Budgets Required for Cutover

Cutover will require a frost of new setup and modifications of existing awards. Fully executed agreements that would have normally been processed during this window will be held until Go-Live.

Please request an Advance Budget if you anticipate your pending agreement will begin work, and therefore require activity to be posted, during FY23.

GCA recommends that departments get these requests submitted and approved via SAGE to GCA by **5/31/2023**. This will give GCA time to analyze the request, resolve any issues, and establish the Advance Budget.

With that said, GCA will be accepting ADV requests from campus until **6/13/2023**.

Impact if Advance is not set up:

- FY23 activity will be understated or misclassified if expenditures are “parked” on a non-grant budget
- Do not “hold” expenditures if they are attributable to work conducted 6/30 or prior

Risk:

- Misstatement of financials for FY23 and FY24
- Possible audit findings

The advance budget setup process will remain the same in future state with Workday Implementation.

We recommend using Advance Budgets to reduce the volume of unnecessary expense transfers and increase compliance.

[Advance Budget Guidance](#)

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New Finance Transformation Webpage

GCA has added a new [Finance Transformation](#) webpage to our site. You can find a link to the page at the top of our website menu:



The page is currently under construction, but please check back frequently as we will start posting information as we get closer to Go-Live.

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Award Portal

Award Portal (AP) will replace Grant Tracker in July and will provide campus and GCA users a single place to view sponsored awards/grants. In addition to seeing financial data, invoicing, receipts, Reports, tasks and award detail, Award Portal serves as a communication system **between campus departments and GCA**. Both Campus users and GCA will be able to create tickets linked to their related award or grant and will be part of the award or grant history. Award Portal will not be used by any other central office. Everyone with a UW netid will have access to Award Portal.

Award Portal is being developed with the functionality and ease of Grant Tracker in mind. The goal is for AP to feel familiar and intuitive. There will be some changes as the new financial system, Workday, operates differently from the current system. As we become familiar with Workday, Award Portal will be a complementary companion tool.

GCA has been testing Award Portal as features have been developed and added. In late April, we will have campus volunteers do additional testing. Thank you to the many folks who have volunteered to help!

Award Portal is expected to be live and ready to use in early July, one week after Workday goes live. If you need assistance during this gap period, please email gcahelp@uw.edu.

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Best Practices for Award Closeout

Award closeout is stressful. If done right, you may be awarded more funding in the future, but if it's done wrong, you may not receive future funding opportunities. In the worst-case scenario, you can do harm to the University of Washington's reputation, causing sponsors to impose sanctions like the revocation of Expanded Authorities.

However, if you plan your closeout strategy in advance of the award end date, you can address important requirements in a timely manner.

Below are a few key principles to follow for pre- to post- closeout success.

Pre-closeout

One of the most common mistakes is to delay closeout planning until after your award has ended. You should start planning for closeout when the award is received! At the time of funding, read through your Notice of Award (NOA) and pay close attention to the closeout terms and conditions listed in the agreement.

Make note of deadlines and any restrictions or special conditions listed. Create calendar reminders to help balance more than one project so nothing is missed.

Review and reconcile your expenditures monthly throughout the life of the award so you can catch unallowable charges and under- or over- spending in a timely manner.

Closeout Preparation

Begin preparation for closeout three months prior to the award's end date. This timeline is widely suggested by Federal and Non-Federal sponsors alike to allow enough time to reconcile expenditures and complete required deliverables and reports.

90 Days Before Award End Date

- Read your NOA again to ensure you are meeting all closeout requirements
- Submit a No Cost Extension request to the sponsor if more time is needed to complete the project
- Review your cost sharing commitments to make sure they will be fulfilled by the end of the award
- Notify subcontractors and other users of the funds (e.g. sub budgets) that the project is ending
- Review outstanding encumbrances (PO's, payroll, etc.)
- Review project expenditures and make adjustments as needed

60 Days Before Award End Date

- Follow up on any outstanding items from your 90-day review
- Identify outstanding invoices from vendors and subcontractors and ask them to submit by the due date
- Look for purchases that have not arrived and follow up
- Continue to review project expenditures and make adjustments as needed

30 Days Before Award End Date

- Follow up on any outstanding items identified during your 90- and 60-day review
- Verify that all vendors and subcontractors have submitted or will submit their final invoices for payment
- Close out all encumbrances that are no longer needed
- Submit your Fabrication journal voucher to EIO, if applicable
- Continue to review project expenditures and make adjustments as needed

Final Action Date

- Conduct a final review of expenditures
- Identify and remove unallowable after-term charges
- Make sure all pending invoices are paid and that all project-related expenses have posted
- Confirm that all adjusting journal entries have been posted, including the removal of deficits
- Verify that any cost sharing requirements have been met

Award closeout is a collaborative process between PI's, Administrative Staff, and Central Offices. While sponsor requirements can vary, the key principles above are universal. Note that the schedule above may need to be adjusted depending on if your sponsor's due date for final invoicing or reporting is 30, 45, 60, or 90 days after the award end date.

Timely award closeout is critical to receiving your final payment, and for ensuring that the University of Washington is eligible for additional awards in the future. It shows that we are good stewards of federal funds, and that we have good internal controls that are followed and enforced.

Most importantly, proper closeout of an award is a Federal Compliance Requirement.

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Final Action Date: An Overview

Q: What is the Final Action Date (FAD) and where can I find it?

A: The Final Action Date (FAD) is the last day the budget is open for the department to post expenditures. Budgets are automatically closed to status 3 overnight once the FAD has passed.

In the current system, you can view the FAD on the GrantTracker Budget Information page. You can also obtain a list of budgets for a selected org code or PI with a FAD in the next 90 days by selecting "Org Code Reports (Department View)" on the top of the left toolbar on the Grant Tracker page:

Reports
 Org Code Reports (Dept View) ←

Maintenance
 Maintain Campus Contacts
 MyTRANSPASUs
 Add New Sub Budget

Pre Award
 Office of Sponsored Programs (OSP)
 SAGE
 SERA
 OSP Status Checker
 MyResearch

Post Award
 Grant & Contract Accounting (GCA)
 GCA Budget Setup
 GCA Award Lifecycle
 GCA FAQs

Search / Budget Information

Grant Tracker

Collapse All

Budget Information

Budget:	
Parent:	
Old Budget:	
New Budget:	
Status:	1
Department:	
Organization Code:	
PI Name:	
Snap(Y/N):	No
Current Period:	04/01/2021 to 12/31/2022
Total Period:	04/01/2021 to 12/31/2022
Final Action Date:	03/31/2023

Note that if a FAD is within the next 90 days, it will be printed in **red**. If the FAD is later **or** if it has already passed, the text will be black:

Future FAD:

Grant Tracker

Collapse All

Budget Information

Budget:	
Parent:	
Old Budget:	
New Budget:	
Status:	1
Department:	
Organization Code:	
PI Name:	
Snap(Y/N):	No
Current Period:	03/15/2019 to 02/28/2025
Total Period:	03/15/2019 to 02/28/2025
Final Action Date:	05/08/2025

Past FAD:

Grant Tracker

Collapse All

Budget Information

Budget:	
Parent:	
Old Budget:	
New Budget:	
Status:	3
Department:	
Organization Code:	
PI Name:	
Snap(Y/N):	No
Current Period:	04/01/2022 to 12/31/2022
Total Period:	03/04/2020 to 12/31/2022
Final Action Date:	02/22/2023

Q: How is the FAD calculated?

A: The FAD is based on the deadline for the final invoice or financial report. For invoiced budgets with no financial reporting requirement, the FAD is approximately one week before the final invoice is due. For budgets requiring a final financial report, the FAD falls approximately three weeks before the reporting deadline. These time windows allow GCA sufficient time to complete our reconciliation and submit timely, accurate reports and invoices for all the budgets that share a given deadline. Because the FAD is calculated based on the terms of the budget's award agreement, it cannot be changed.

Q: Why do FADs based on reporting deadlines fall earlier than those based on invoice due dates?

The final reporting process is typically more complex than that of final invoicing and therefore requires more GCA staff work hours for reconciliation, completion, and review.

Q: Why does my budget's FAD fall BEFORE the budget end date?

In rare cases the sponsor requires us to submit the final report or invoice either on or very shortly after the budget end date. E.g. if the final report is due 15 days after the budget end date, the FAD will fall about a week before it.

In these cases, the budget will still flip to status 3 after the FAD and close to expenses. GCA asks that you notify us of any pending charges that will occur following the FAD so we can account for them on the final invoice and/or report. We can then open the budget back to status 1 to allow the charges to post.

Q: Will all this FAD business still be relevant after Finance Transformation?

A: Absolutely! GCA will still be preparing final reports and invoices, and we will still need lead time to ensure that these documents are issued correct and timely. Post Workday go-live, the

FAD will be found in Award Portal rather than Grant Tracker, and current state terminology such as numerical codes to indicate a budget's open/closed status will be replaced, but you will still need to monitor the FAD and plan your spending accordingly.

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Timely Cost Share Reporting

Delayed cost share reporting impacts invoicing, reporting, and award closeout. Depending on your award's cost share requirements, sponsors may withhold payments or reduce the award amount if cost share obligations remain unmet.

With go live and the upcoming changes to the cost share process, we recommend submitting non-FEC cost share reports by **6/13** so we can enter your contributions into the current system.

Consequences of Unmet Cost Share

We will not be able to complete closeout until the award's cost share commitment has been met. We will reach out to you if we notice that there is unmet cost share while preparing the final invoice/report. If we do not hear back from you, we will proceed based on the contributions that have been documented in our system.

Timely Communication!

If you have identified issues with meeting the existing cost share commitment, we suggest reaching out to the sponsor as soon as possible to see if the cost share requirement can be amended. If the cost share commitment remains unmet at closeout, this may result in a reduced award amount or having to meet the commitment through other sources.

Additional Resources:

- [Cost Share](#) – overview on setting up and managing cost share
- [Cost Share Videos \(PAFC\)](#) – short videos that cover various cost share topics
- [Faculty Effort Certification \(MAA\)](#) – overview on managing faculty effort; cost share worksheets
- [GIM 21 – Cost Share on Sponsored Programs](#)

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Encumbrances: What They Are & How to Resolve Them

GCA's website defines **encumbrances** as a representation of "expenses that are anticipated to be charged to a budget or, in some cases, restricted funds." The simplest way to think of encumbrances is as a separate pot of funds within a budget that we set aside to ensure they are not applied to other expenses.

For purposes of visibility, encumbered funds are often grouped with posted expenditures, but it is important to note the distinction – by definition, any funds that are encumbered on a budget are unexpended. Over the course of the award's lifecycle, most encumbrances will liquidate automatically, being released as appropriate charges post to the budget, but there are a number of circumstances in which either GCA or the department will have to take manual action to liquidate the encumbrance and allow the budget to close. Listed below are some of the most common encumbrances encountered by grant managers, along with a brief description of each and who to contact in the event of problems.

The Big Ones

These are the encumbrances most likely to be encountered by grant managers.

Salary & Benefits

Description: Funds reserved to cover salary and fringe benefit expenditures, entered automatically upon input of the costing allocation in Workday.

How to liquidate: Will liquidate incrementally as salary and benefits are charged. Any remaining encumbrance will be liquidated after initial closeout.

Point of Contact: ISC

Facilities & Administrative (F&A) or Indirect Costs (IDC)

Description: Funds reserved to cover F&A/IDC costs, generated by the system when the budget is set up.

How to liquidate: Will liquidate incrementally as F&A/IDC is charged. Any remaining encumbrance will be liquidated after initial closeout.

Point of Contact: GCA

Subaward Facilities & Administrative (F&A) or Indirect Costs (IDC)

Description: Funds reserved to cover F&A/IDC costs on outbound subawards, entered by GCA when the budget is set up.

How to liquidate: Will be liquidated incrementally by GCA as subaward F&A/IDC is charged. Any encumbrance remaining at the end of the current **period** will be carried forward to the continuation, as appropriate. Any encumbrance remaining at the end of the **segment** will be liquidated after initial closeout of the last budget.

Point of Contact: GCA

Restricted Funds

Description: These are typically funds carried forward from prior years that UW does not have authorization to expend in the current period. May also reflect funding that has been restricted for purpose by the sponsor.

How to liquidate: Restricted funds can only be liquidated with written authorization from the sponsor.

Point of Contact: GCA

The Others

There are several other encumbrance types that may be encountered on a grant budget. These include:

- Creative Communications
- Facilities Services
- Field Advances
- FMO
- Purchases
- Revolving Fund Checking Account/Petty Cash
- Subaward Payments

More information on these encumbrance types, including how to identify them and points of contact in the event of an issue, can be found [on the GCA website](#).

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Other Outstanding Issues

In this article, we will review outstanding issues at the end of a budget's lifecycle that can delay the closeout of an award. The main two are open invoices and deficits (on the parent and/or sub budgets).

Invoice	Receipt	Open
\$725,748.73	\$645,217.65	\$80,531.08

First, we will look at open invoices. As you can see highlighted above, there is a quick and easy way to find out if your budget has an open invoice: look for an amount under "Open" in the Financial Information line in Grant Tracker. (This information will also be available in Award Portal once it is launched.)

There are many reasons why an invoice may be unpaid. It is important to keep a lookout for requests for additional backup, as often sponsors will contact us for documentation of transactions included on invoices. This is especially common for travel or supply expenses.

Another reason may be that the sponsor never received the invoice. This can occur if our sponsor invoicing contact has left and we were not aware of the change. In other cases the sponsor never received the invoice due to confusion about the correct submission process. Please review your invoiceable budgets to determine if GCA or the department is responsible for submitting invoices. Though GCA submits most invoices directly to the sponsor, in some cases the sponsor requires backup we do not have access to. For these awards, GCA will generate an invoice and send it to the department contacts through Grant Tracker. These invoices are NOT submitted by GCA. The department must attach the required backup and submit them to the sponsor. (Note: This process may change following Finance Transformation.)

We are not able to close an award until all invoices are paid. To resolve past-due invoices, we will reach out to the sponsor contact on record, along with any additional contacts the department can provide, and determine the reason for the delay in payment. This happens automatically through our aged receivables team.

Finally we will discuss deficits. Deficits on awards must be transferred to a non-sponsored budget within the department. It is best to be proactive with deficits. When they occur, let us know what budget should cover the deficit if you are unable to use the Grant Tracker deficit transfer tool. (This applies in the current state. For the future state, we are not yet certain what tools for deficit resolution will be available within Workday and/or Award Portal).

Note that the deficit transfer tool is not available for sub budgets. Sub budget deficits will by default be rolled into the parent at the close out of the sub budget. If that is not correct for your award, please provide instructions to GCA on how to resolve the deficit.

These are just a few of the things that can delay closeout of an award. It is important to close budgets timely to reduce the administrative burden for the department and GCA alike, as well as to meet the terms of award agreements.

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Surplus Transfers for Budgets with No Expenditures

Before requesting a surplus transfer, please review your budget to ensure that all expenditures have been allocated correctly. We have received an increasing number of requests to complete surplus transfers for budgets with \$0 in expenditures.

It is unusual for a sponsor to provide funds if there will be no associated costs. Furthermore, a sponsor providing funds for an award without costs can raise suspicions that the University is not being a good steward of those funds.

If your budget will close with \$0 in expenditures AND you are requesting a surplus transfer for the full amount received, we require written approval from the sponsor stating that you are authorized to retain the funds and their confirmation that there were no expenditures.

Your department will be responsible for any audit issues that may arise.

Additional information on the surplus transfer process is available here:

<https://finance.uw.edu/gca/award-lifecycle/budget-setup/surplus>

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If you have any questions about topics discussed in this newsletter or would like to suggest topics for future newsletters, please contact us via email at gcahelp@uw.edu. Inquiries related to a specific budget should be sent via [Grant Tracker](#).

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