

Business Case for Change

Grants Optimization – Financial
Controls
UCCS



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Business Case for Change

New system-based controls will be activated in PeopleSoft on October 22, 2018. The controls affect grants management in terms of funding and spending.

Why do we need to enable system-based controls for funding and spending on sponsored projects?

- Current controls are considered to be inadequate, and this puts the University at risk.
 - Overpayments
 - Denial of payments
 - Unallowables
 - Shut-down of funding

- PeopleSoft 9.2 has functionality we can use to ensure we are preventing behaviors that compromise our fiscal integrity.

WHY?

- Federal regulations and increased rigor in federal fiscal management processes mean system-based controls are needed.

- Award close-out is currently a manual process; project status automation streamlines business processes.

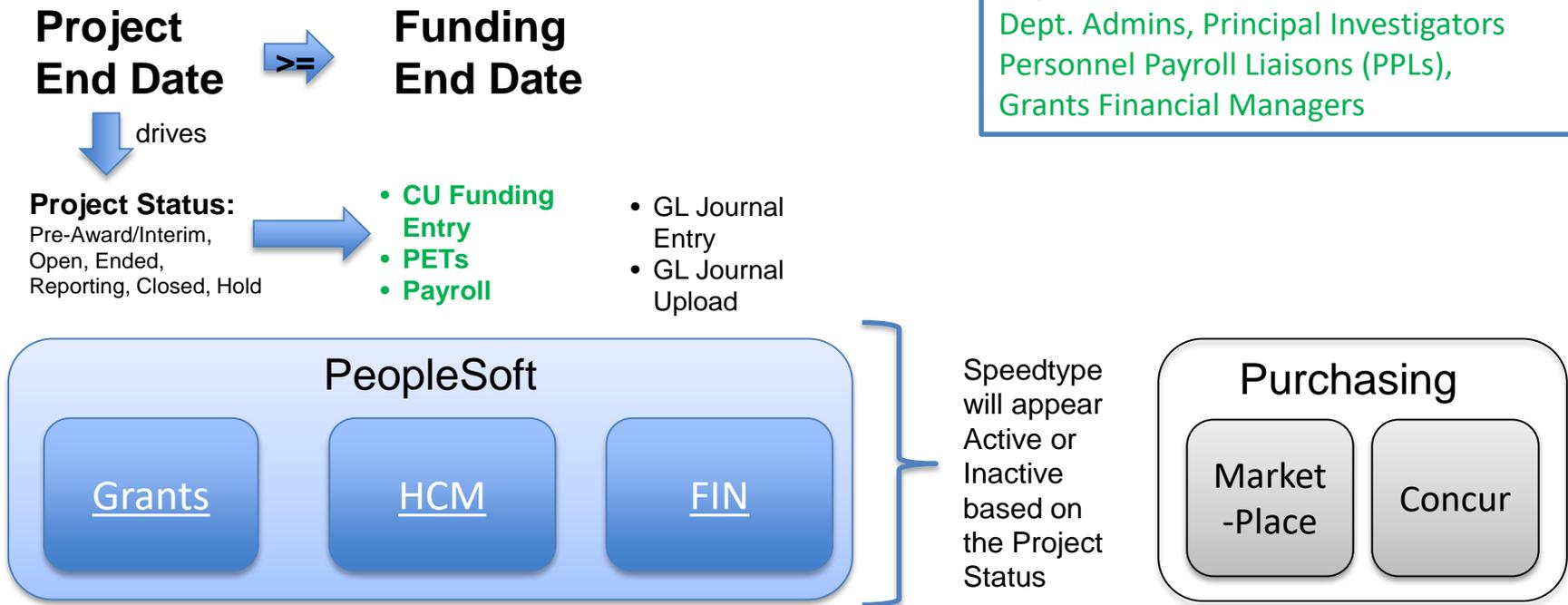


Solution Description

In order to mitigate risk and ensure compliance, new controls will be implemented in PeopleSoft for sponsored projects. **The new controls affect all CU campuses.**

- The controls leverage the **project and funding end dates**, as well as project status, before processing a payroll or non-personnel expenditure transaction.

Concept Overview



Impacted users who enter transactions:

Dept. Admins, Principal Investigators
Personnel Payroll Liaisons (PPLs),
Grants Financial Managers

Actions for Principal Investigators

Plan

- **Within 90 days of end date** develop a plan with your grant administrators:
 - Determine what **expenses will be invoiced by subcontracts/vendors**
 - Establish **timing expectations for invoices**
 - Establish **communication/follow-up plan for invoices** (must be timely or risk of non-payment)
 - Determine if a **contract extension** will be needed; contact OSPRI to request the extension

Verify

- Verify final **travel reimbursements** will be processed within **60 days of the project end date**
- Verify **new payroll/effort funding plan** for personnel paid on the award that is ending

Finalize

- Ensure **all expenditures** are finalized within **60 days of the project end date**



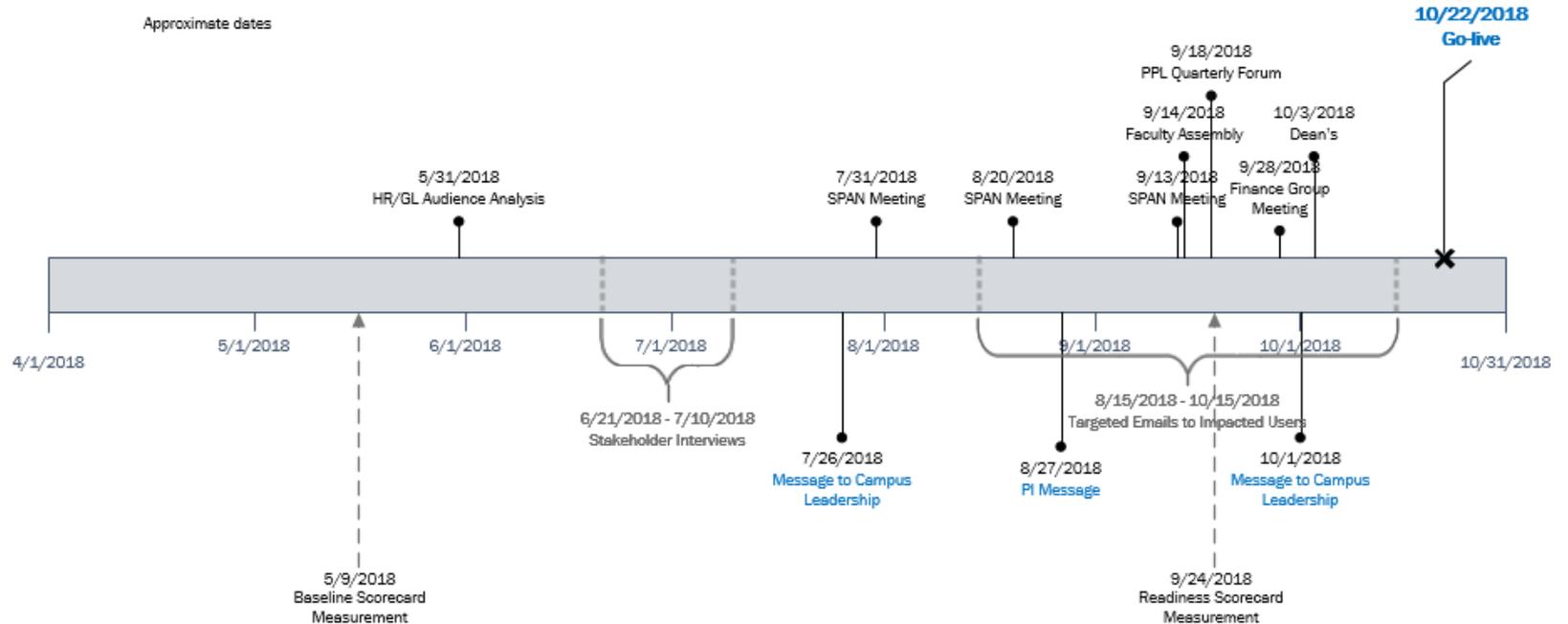
Actions for Principal Investigators, cont.

Continue to
work with
your grant
administrators
on financial
management

- Ensure payroll is reviewed timely throughout award life to ensure personnel are charged according to their effort (monthly/quarterly reviews)
- Ensure goods and services purchased are allocated according to the benefit/usage at time of purchase



Implementation Timeline UCCS



Purchasing Service Center Newsletter blurb – mid-September, beginning of October
 1:1 meetings with “Frequent Fliers” – schedule as needed



Conclusion

As a condition of receipt of sponsored awards, sponsors expect that the University will establish adequate controls to ensure accuracy and appropriateness of expenses as part of their fiduciary responsibilities.

- If we do not enable the new controls:
 - Sponsors **may question the University's control structure** and establish **additional requirements** for the University including **denial or limits** to credit draws, **rescinding** active awards, or **averting future awards** to the University.
 - The University's **auditors** may call into question whether the organization has the **appropriate financial and compliance controls**.
 - **Serious financial, compliance, and reputational risks** could be realized jeopardizing the institution.
- Therefore:
 - Enabling the enforcement of the project status and funding end date controls will **help ensure compliance and proper use of sponsored funds**.
 - These controls will also **reduce the manual validation** of post-term expenses, as well as the **administrative burden** of cost transfers and PETs.
 - **Engagement and education** across all four campuses are both essential to the success of this transition; proper communication, preparation, and data clean-up must be completed prior to the controls being turned on.





Questions?

