ACCOUNTING FOR ARRA GRANTS

09/15/2009

For some American Recovery and Reinvestment Act of 2009 (ARRA) funding, UAB receives the funding directly from a federal government agency, in which case UAB is known in the ARRA regulations as the "Prime Recipient". UAB could also receive ARRA funding indirectly through another non-UAB prime recipient who executes a subcontract legal agreement with UAB to be a "Subrecipient". If UAB receives the ARRA funding directly from that other prime recipient, then UAB is known as a "first-tier subrecipient; but if UAB receives the ARRA funding through another subrecipient, then UAB is known as a "second-tier subrecipient".

> *[Note: In the context of this documentation, the generic term "grant" is used to encompass both sponsored agreements which are legally considered to be "grants and cooperative agreements", as well as those which are legally considered to be "contract awards".]*

Segregation of Funds

In accordance with the ARRA's transparency and reporting requirements, UAB ARRA funds must remain segregated in UAB's administrative computer systems so that they are clearly distinguishable from non-ARRA funds.

In UAB's Oracle Grants Accounting system, the accounting for each ARRA grant is segregated, just as are each of UAB's other federal or federal pass-through sponsored programs, in a separate Project/Task/Award/Organization (PTAO) account structure, and the ARRA funding is specifically identified by certain descriptive data elements (a.k.a. "attributes") associated with the ARRA PTAOs.

In UAB's Office of Grants & Contracts Administration's (OGCA) pre-award system, applied/pending, awarded, or denied ARRA grants are separately identified by their "Sub Type" attribute where the values is prefixed with "ARRA - ".

The U.S. Department of Education has awarded State Fiscal Stabilization Fund (SFSF) Fund (ESF) funding to state governors who have passed that ARRA funding down to public institutions of higher education (IHEs) as part of the state university's state appropriations. Even though the SFSF ESF funding is treated by the State of Alabama as state appropriations, UAB will account for these funds in the Oracle Grants Accounting application, to ensure sufficient segregation, identification, and controls over these ARRA funds. For those SFSF ESF funds, State Governor is considered to be the Prime Recipient and UAB is treated as the Subrecipient. The Alabama Governor has officially delegated the federal subrecipient report submission requirements to UAB for UAB's portion of the SFSF ESF funding. UAB Financial Affairs will be submitting that subrecipient report to the federal reporting database and to the State.

Oracle PTAO Accounting Structure

Project Codes:

Consistent with the accounting for all sponsored program awards, each sponsored project receiving ARRA funding will be tracked in the Oracle GA module (OGA) under its own P/project number.

For the U.S. Department of Education's State Fiscal Stabilization Fund (SFSF) Fund (ESF) funding provided to UAB through its state appropriation, we will be setting up one P/project with a two-year project period of 10/01/2009-09/30/2011. The distinction between the two fiscal years will be maintained at the A/Award level.

Task Codes:

Separate tasks can be created in the accounting system to breakdown the project's activities into groupings which can assist the PI and institutional management in administering the project. Tasks can be further broken down into subtasks. UAB grants may have as many as five different types of tasks:

- 01.XX Prime Account
- 02.XX Mandatory Cost Sharing Accounts
- 03.XX Subcontract Accounts
- 04.XX Grant-Related Income Accounts
- 05.XX-99.XX Scope Accounts

[Note: It is the top-level task org affiliation which drives the Oracle Workflow approval path for transactions coded with that T/task code.]

For the SFSF ESF funding, most units have not chosen to break down their accounting into multiple tasks. However, School of Medicine Dean's Office has decided to break down the SFSF funding down into multiple tasks.

Award Codes:

A unique A/award number will be created for the project representing the ARRA funding for that project. As with other sponsored programs, a project could have multiple funding sources, in which case there may be more than one A/award number associated with the project. For example, there may be mandatory cost sharing or grant-related income funding portions of the project, and in those cases separate A/award numbers will be created for each of those types of other funding sources.

For the SFSF ESF funding, a separate A/award will be created for each major unit's allocation for each fiscal year. All of the SFSF ESF funding will be administered at this higher level, rather than at the departmental levels.

Organization Codes:

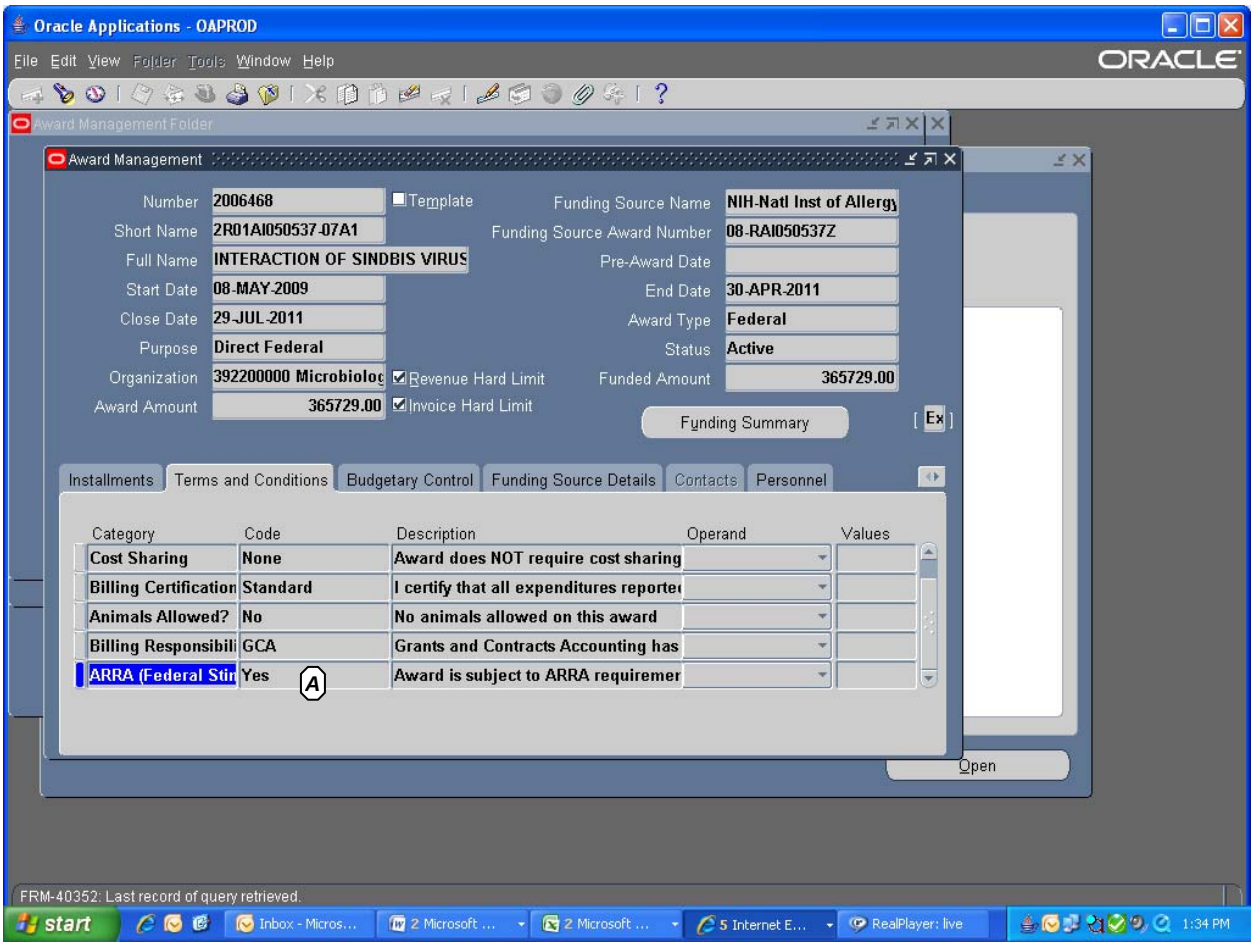
This is a system-required field indicating one of the two top level organizations of UAB. For University (non-Hospital) grants, this code will be “10”. For the rare Hospital grants, this code will be “70”.

Attributes

Oracle Grants Accounting Application

ARRA grants are accounted for in UAB’s Oracle Grants Accounting Application. Their attributes or “descriptive data elements” are coded like other federal grants, with the following exceptions:

- UAB added new data element to the accounting system to specially identify ARRA funded grants. It is titled “ARRA(Federal Stimulus)”, and the valid values are simply “Yes” or “No ”. This new attribute is viewable in the online accounting system, it is an optional subset criterion for the GMUAB Award Download (Ad hoc) and GMUAB PTA Download (Ad hoc) and is displayed on those reports. (A)
- The CFDA Number attribute is not actually prefixed in the Oracle Grants Accounting database with “ARRA-“. However, when the computer programming associated with generating the OMB A-133 audit report schedules, as required by OMB (per OMB 2CFR Part 176 “Requirements for Implementing Sections 1512, 1605, and 1606 of the American Recovery and Reinvestment Act of 2009 for Financial Assistance Awards” Subpart D “Single Audit Information for Recipients of Recovery Act Funds”), the “ARRA-“ prefix will be displayed. For only NIH ARRA grants, the CFDA Number ends in either “.701” or “.702”. (B)
- The “SEFA Classification” attribute should always be “ARRA” for ARRA grants. (C)
- For only NIH ARRA grants, the sponsor award/document number ends in the letter “Z”. (D)
- The Letter of Credit (LOC) attribute will be prefixed with “ARRA “ (for example, “LOC-ARRA DHHS”, “LOC-ARRA NSF”, “LOC-ARRA Energy”, etc). (E)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Template
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Full Name INTERACTION OF SINDBIS VIRUS
Start Date 08-MAY-2009
Close Date 29-JUL-2011
Purpose Direct Federal
Organization 392200000 Microbiolog
Award Amount 365729.00
Revenue Hard Limit
Invoice Hard Limit
Funding Source Name NIH-Natl Inst of Allergy
Funding Source Award Number 08-RAI050537Z
Pre-Award Date
End Date 30-APR-2011
Award Type Federal
Status Active
Funded Amount 365729.00
Funding Summary
Installments
Terms and Conditions
Budgetary Control
Funding Source Details
Contacts
Personnel
Category
Code
Description
Operand
Values
Cost Sharing
None
Award does NOT require cost sharing
Billing Certification
Standard
I certify that all expenditures reporte
Animals Allowed?
No
No animals allowed on this award
Billing Responsibili
GCA
Grants and Contracts Accounting has
ARRA (Federal Stir
Yes
A
Award is subject to ARRA requiremer
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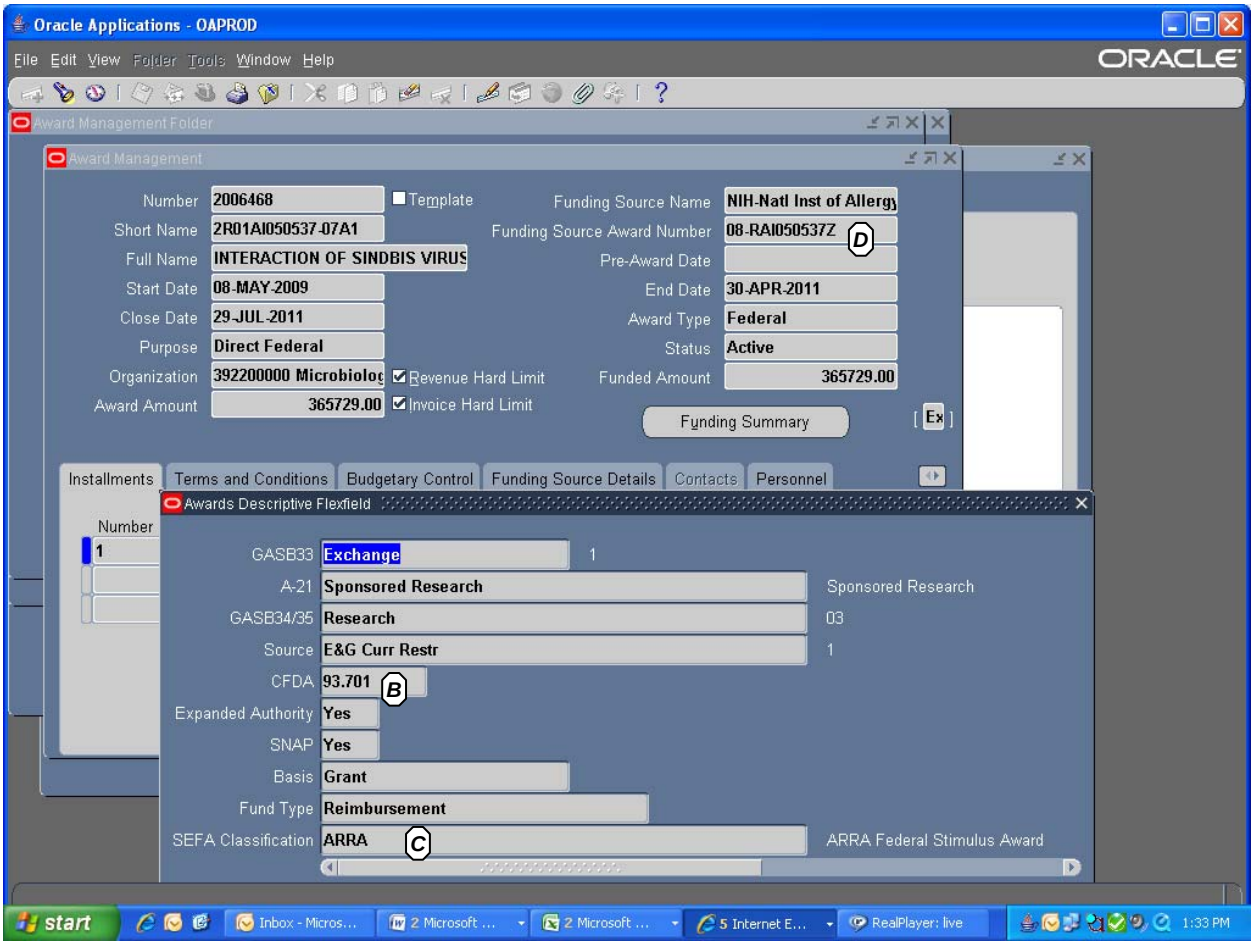
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End Date 30-APR-2011
Award Type Federal
Status Active
Funded Amount 365729.00
Funding Summary
Ex
Installments
Terms and Conditions
Budgetary Control
Funding Source Details
Contacts
Personnel
Number
1
Awards Descriptive Flexfield
GASB33 Exchange 1
A-21 Sponsored Research Sponsored Research
GASB34/35 Research 03
Source E&G Curr Restr 1
CFDA 93.701
B
Expanded Authority Yes
SNAP Yes
Basis Grant
Fund Type Reimbursement
SEFA Classification ARRA
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ARRA Federal Stimulus Award
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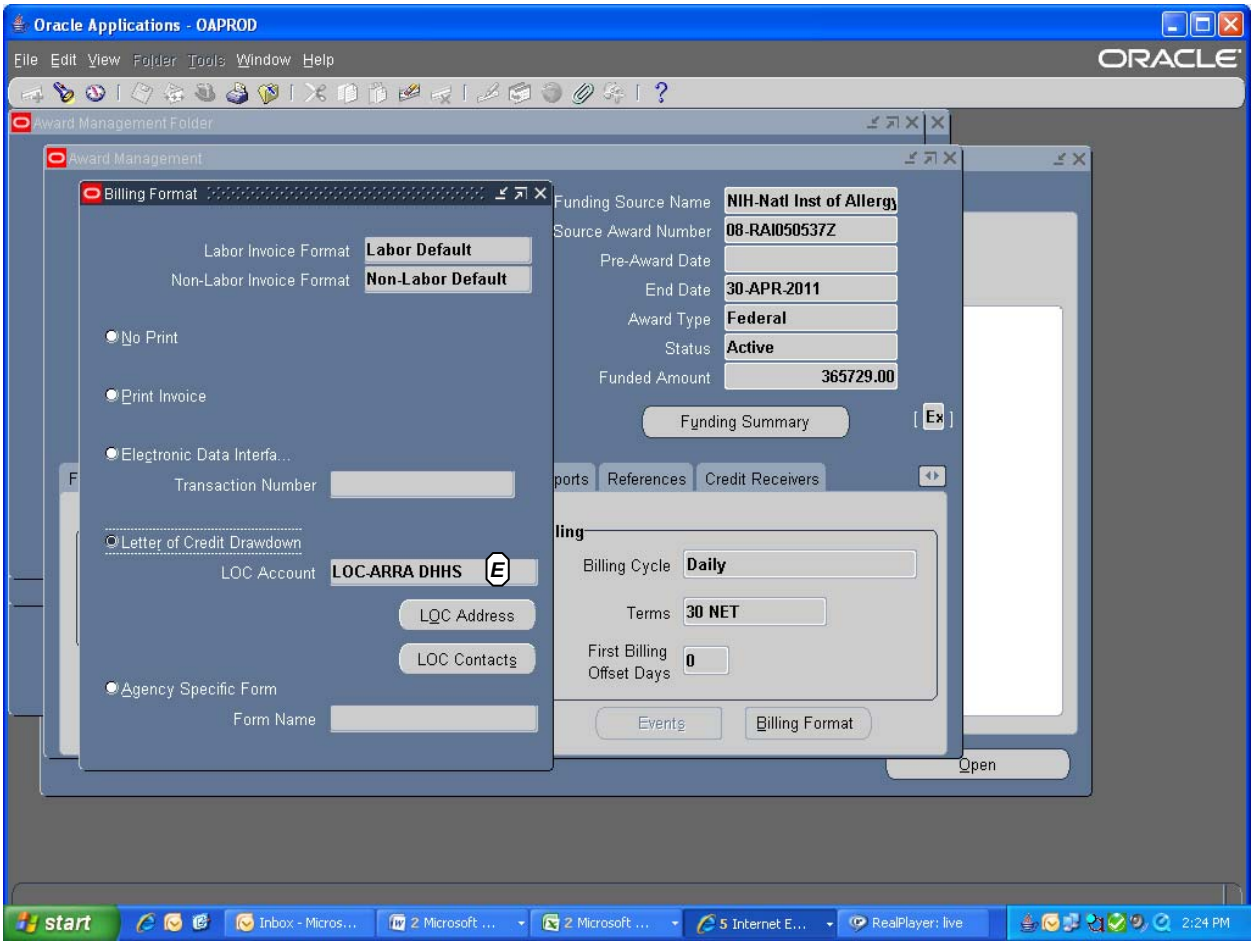
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Award Management Folder
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Billing Format
Labor Invoice Format
Labor Default
Non-Labor Invoice Format
Non-Labor Default
No Print
Print Invoice
Electronic Data Interfa...
Transaction Number
Letter of Credit Drawdown
LOC Account
LOC-ARRA DHHS
E
LOC Address
LOC Contacts
Agency Specific Form
Form Name
Funding Source Name
NIH-Natl Inst of Allergy
Source Award Number
08-RAI050537Z
Pre-Award Date
End Date
30-APR-2011
Award Type
Federal
Status
Active
Funded Amount
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Funding Summary
References
Credit Receivers
Billing Cycle
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Terms
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First Billing Offset Days
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Events
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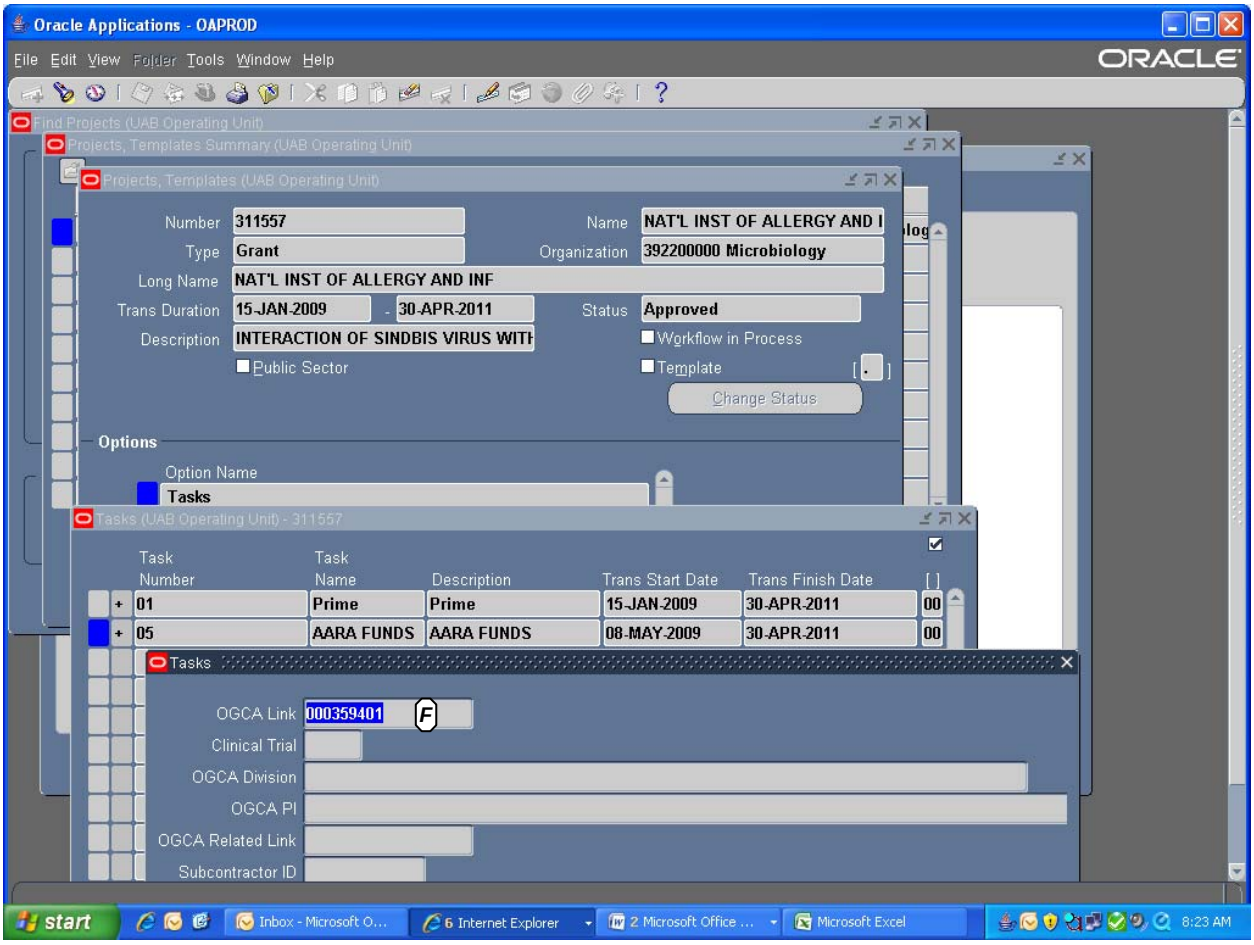
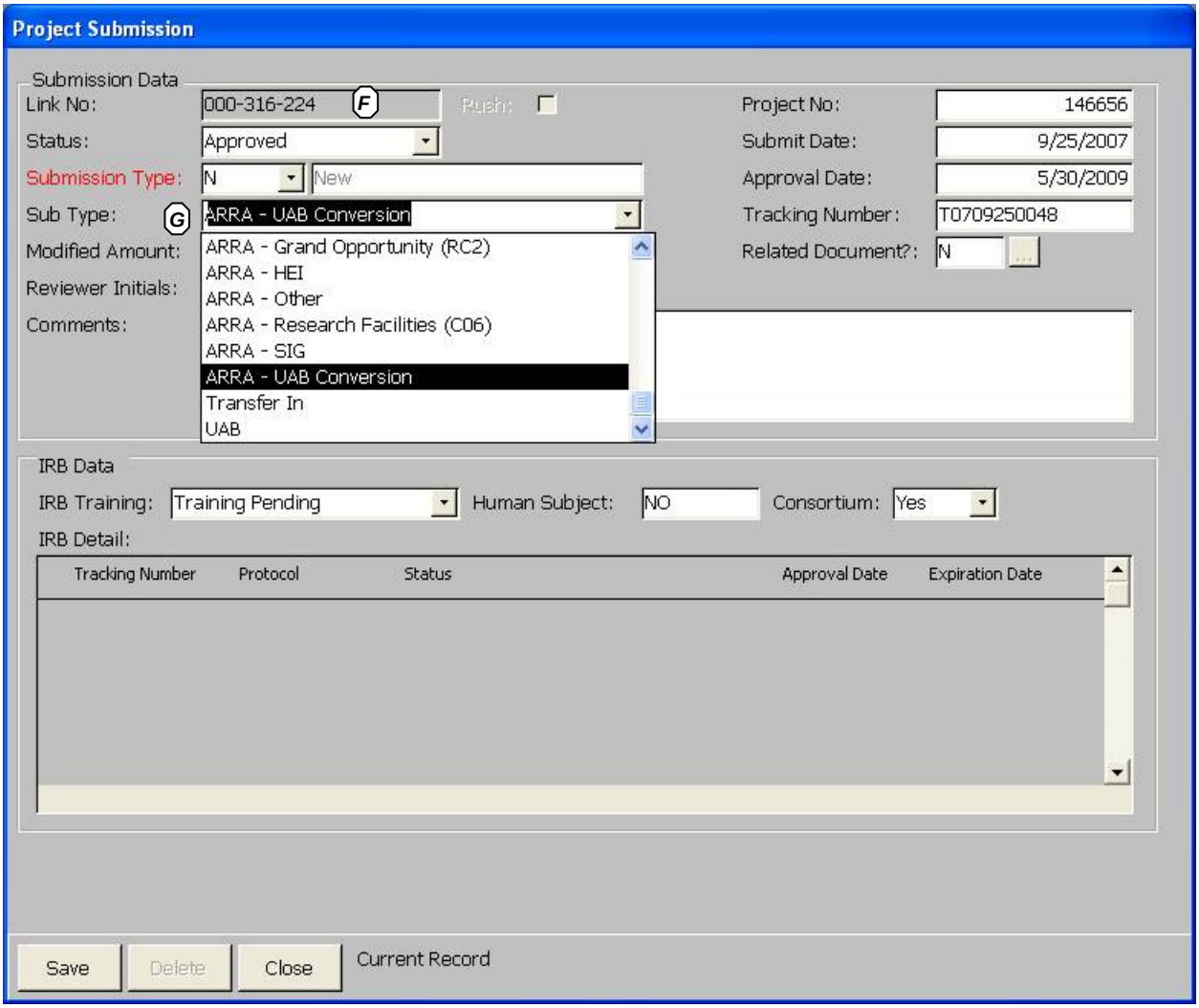
OGCA Pre-Award System

Each ARRA grant has its own unique tracking number in the pre-award system known as the “Link Number”, which is also carried as an attribute on the Oracle Grants Accounting PTAO account when it is awarded. This is how the data in the pre-award system is related to the data in the post-award system. In Oracle, the “OGCA Link” (F) attribute is carried at the T/task level, and can be viewed online In Oracle Grants Accounting by drilling down on the applicable P/project number using “Projects View” menu item to get down to the applicable T/task(s). See example below.



In UAB's Office of Grants and Contracts Administration's (OGCA) pre-award system, applied/pending, awarded, or denied ARRA grants are separately identified by their "Sub Type" Ⓖ attribute where the values is prefixed with "ARRA - ". [The "ARRA – UAB Conversion" value indicates that the sponsoring federal agency decided to fund a previously non-ARRA proposal with ARRA funds.]



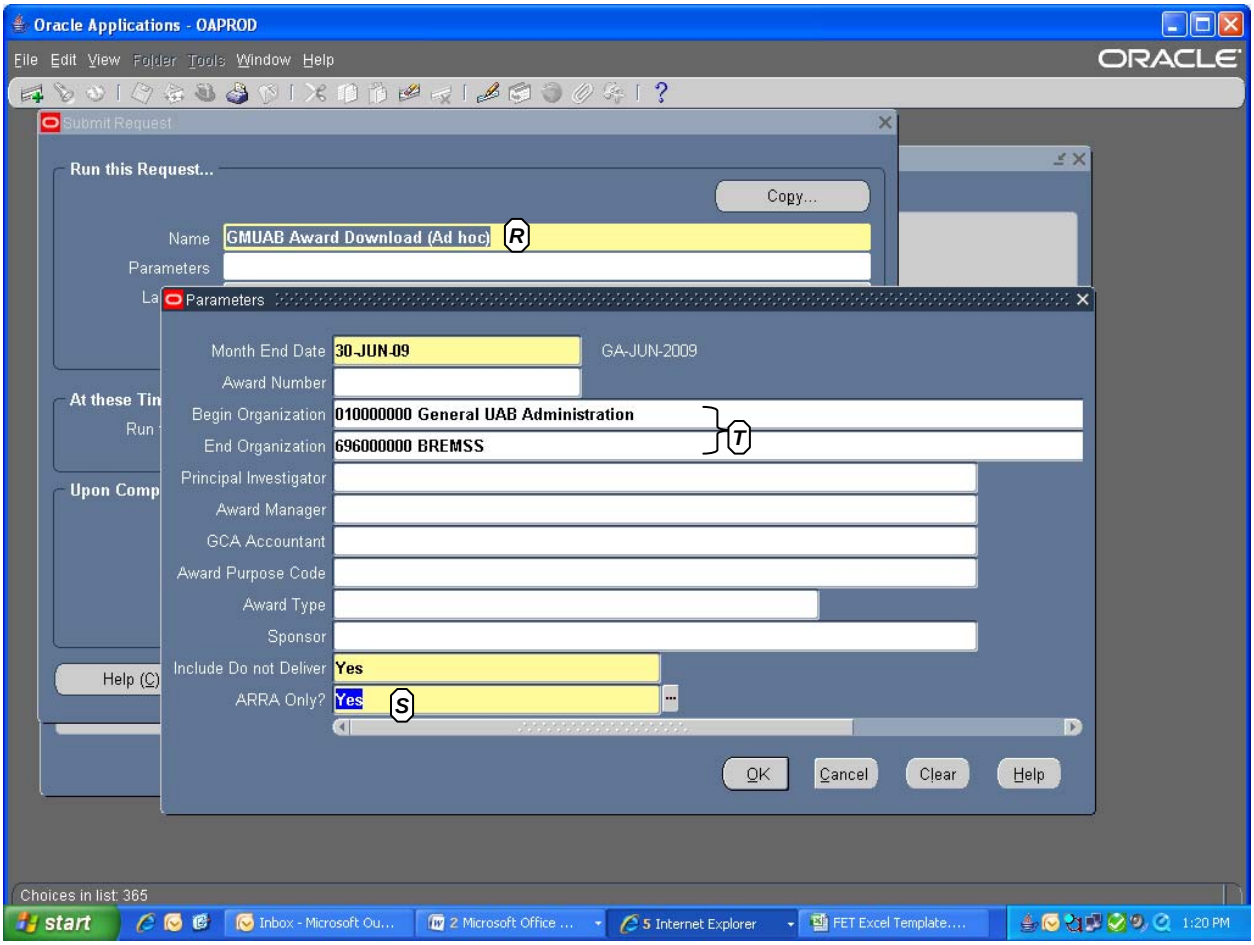
Reconciliation Between Pre-Award and Post-Award Systems

OGCA emails a listing weekly to G&CA of awarded ARRA funding as recorded in their pre-award system. G&CA compares that listing to the Oracle Grants Accounting system ARRA grant reports, and promptly resolves the discrepancies. The purpose of this special reconciliation is to ensure that G&CA has all active ARRA grants properly identified in the accounting system.

Construction Projects
If a given ARRA grant is designated as a "construction grant", the accounting is the same as for a non-construction ARRA grant except that the detail project accounting is done in a plant construction PTAO account instead of in the actual grant account. The grant account is charged (usually monthly) for the actual grant-funded expenditures only *after* they have been expended in the plant construction project account, by the plant accountant posting a journal entry debiting the 4202070 Plant Grant Transfers Out object code in the grant account and crediting the 4102070 Plant Grant Transfers In object code in the plant account for the appropriate amount.

Internal Management Reports
The PIs, their fiscal administrators, and all levels of management have easy access to the official accounting and other supporting financial information about their grants via UAB's Oracle online administrative computing systems and associated optical imaging system files.

- Online screens in the Oracle Grants Accounting application show up-to-date financial information at the project, task, or award levels.
- Official monthend "Monthly Account Statement" reports are electronically distributed to each Oracle account's designated report recipient.
- Ad hoc transaction download transaction files can be run online by Oracle GA End Users.
- Oracle GA End Users can run ad hoc "GMUAB Award Download (Ad hoc)Ⓡ reports, which produce downloadable excel spreadsheet listings of PTA attribute and dollar account information summarized at the A/award level. This ad hoc reporting tool can be used to get the listing of all UAB ARRA Ⓢ grants, using subset parameters as shown below (org range Ⓣ must be the first possible org cd and the last possible org cd if you want a complete listing). Or it could also be further subsetted by PI, organizational affiliation, etc.
- Similarly, users can run ad hoc "GMUAB PTA Download (Ad hoc)" reports, which produce downloadable excel spreadsheet listings of attribute and dollar account information summarized at the project/task level.



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OGCA ad hoc reports are available upon request to OGCA. In addition, the UAB VP For Research and Economic Development maintains a public UAB ARRA website (http://www.uab.edu/arra/), as required by the Alabama Governor, on which an official listing of UAB's applied/pending, approved/awarded, and denied ARRA grants is posted as part of the ARRA transparency and accountability requirements.

Effort Reporting
Effort reporting policies and procedures for ARRA-funded direct competitive or pass-through grants are no different that those for other grants.

However, for those cases where salaries are being funded by the temporary State Fiscal Stabilization Fund (SFSF) Fund (ESF) state appropriations allocated by the State Governor, please note the following additional information:

- The SFSF ESF project accounts are carrying a A-21 classification of "Other Institutional Activities". This is not one of the certifiable activities, so the existence of a SFSF ESF labor distribution will not in and of itself trigger a effort report. However, if an individual has certifiable activities in addition to SFSF ESF funding, the SFSF ESF accounts will show up on his/her effort report.

External Reporting
Except for the SFSF ESF funding coming from the Alabama Governor, the UAB VP For Research and Economic Development is responsible for collecting and submitting the applicable ARRA grant data to the federal reporting website (FederalReporting.gov) each quarter, for submitting the monthly reports to the State of Alabama via email, and for maintaining the public ARRA website as required by the Governor of the State of Alabama. For the SFSF ESF funding, UAB Financial Affairs will be responsible for submitting the quarterly federal reports and the monthly State reports.

ARRA Grant Award Date
The federal reporting requirements include reporting of grants which have been awarded but not yet received or expended. Since the grant "Award Date" is a data element specifically required by the federal reporting model, it is presumed that inclusion of a given grant for a given reporting cutoff date would be based upon the relationship of the reporting cutoff date to the earlier of the Grant Award Date or the Project Start Date. The only source of the Award Date would be the OGCA pre-award system, where UAB's closest equivalent is the *"Approval Date"* attribute.

ARRA $Awarded
The federal reporting requirements include reporting of grants which have been awarded but not yet received nor expended. It is important that this figure match the official OGCA pre-award system. Since G&CA normally gets its notice of award from OGCA, the OGCA pre-award system should contain the most current $Awarded information.

ARRA $Received
The federal reporting model has a data element titled "Total Federal Amount ARRA Funds Received/Invoiced", and for federal "grants" it is defined as "The

amount of Recovery Act funds received through draw-down, reimbursement, or invoice". Only the Oracle system contains the amount of $Received. It is important that this figure match the official Oracle system. For a given A/award value, it is viewable at any given point in time on the Oracle online Award Status "Invoice Review" screen, and it is displayed in the ad hoc Award Download file/report in the "CASH_APPLIED" Col AF, both of which are available to all Oracle users.

ARRA $Expended

The federal reporting model has a data element titled "Total Federal Amount of ARRA Expenditure". Only the Oracle system contains the official amount of $Expended. It is important that this figure match the official Oracle system as of the reporting cutoff date. For that purpose, it is recommended that you run the Oracle ad hoc Award Download file/report with a date parameter of the specific required reporting cutoff date, which will give you a given award's inception-to-date $Expended in the resulting "ITD _TOTAL" Col N for each ARRA award applicable to your given project). The advantage of using the Award Download report as your data source is that it automatically tallies up for you all of the T/tasks which are funded by that ARRA award. If you use the Account Statement report (either the distributed monthend version or an ad hoc run), you would have to add up the applicable PTA account statements to get to that total ARRA award figure.

Important Note: On the Oracle online Award Status screen, the "Actual Cost" column is the current expenditures, not retroactive as of a specific reporting cutoff date, so you must be careful not to use the online screens for federal or state ARRA reporting purposes.

Drawdown of Funds

Grants and Contract Accounting (G&CA) is already responsible for drawing down federal funds and allocating those funds to specific UAB grants. However, the ARRA has added some additional restrictive regulations specific to ARRA fund draws. In order to comply with ARRA segregation of funds requirements, federal agencies are requiring that grantees draw ARRA funds separately from other federal funds.

Furthermore, some agencies (for example the federal Department of Health & Human Services (DHHS) have gone so far as to declare that grantees are not permitted to pool draws for multiple ARRA grants into a single payment request, which means grantees are currently required to do a separate draw per grant award which is extremely inefficient for large institutions. COGR proposed to DHHS that a separate letter of credit for ARRA funds should be a reasonable compromise, and in July 2009 formally requested OMB's assistance in resolving this issue. When OMB's response is announced, we will promptly make any necessary changes.

Interest On Unspent Funds

As with other federal grants, U.S. Department of the Treasury regulations (31 CFR Part 205 and 34 CFR 80.21b) UAB is required to pay interest on the excess of funding receipts over the associated ARRA grant expenditures and remit it at least quarterly to the federal government. This is rarely an issue for most federal grants manage their draws strictly on a reimbursement basis through the federal letter of credit procedures. But UAB does have a few private grants which have such a requirement. So if this situation arose on a given ARRA grant, we would follow similar procedures for this purpose.

Record Retention

UAB Research Administration has a “Economic Stimulus Information” website explaining the record retention requirements applicable to ARRA grants.