



WPI

Title: Financial Management of Grants
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Purpose

To provide an overview of the financial management system at the University as it pertains to grants.

Policy Statement

Financial management of awards is a responsibility assumed by PI's and the University that is inherent in all projects. PI's and all who support the projects must adhere to the University's policies and procedures as well as any additional requirements stipulated by sponsors.

The University has established systems of internal control for the financial management of awards. PI's are responsible for regular financial oversight including documenting approval of costs to awards and review of budget to actual financial reports. Federal awards to the University are subjected to the Office of Management and Budget's Uniform Guidance ([2 CFR 200](#)) audit tests and occasionally to additional financial reviews by sponsors.

Internal Control and Procedures

Establishing a Sponsored Award in Workday

Upon notification from OSP; SPA establishes an award number in Workday when the sponsored award is fully executed. Each sponsored program is assigned an award number in Workday which is the record that stores information such as sponsor, period of performance, federal award identification number, and total funding amount. Each award has at least one grant number which is reflected on the award line within the award along with other pertinent information such as funding amounts, revenue category, and applicable F&A rate.

The grant worktag establishes Workday security for the PI, Co-PI and other grant roles, if applicable. Once the award number and grant worktag are established, the budget is created based on various account (expense) lines as approved by the funding agency. SPA then informs all of the necessary individuals of the new setup and expenditures can be charged to the grant worktag by the PI or other buyers within the department.

Structure of financial records

Workday is WPI's computerized Financial Accounting and Information Management System.

Worktags

Workday utilizes worktags to categorize transactions. Worktags are attributes assigned to each transaction to indicate its University purpose. Default worktags, such as cost center, fund and program may be assigned at time of grant setup.

- Grant – Identifies activities, funded internally or externally.
- Fund – Identifies related activities for financial statement and budget management purposes.
- Cost Center – Identifies a University department.
- Program – Used for financial reporting purposes and defaults based on fund or cost center.
- Activity – This optional field can be used to gather transaction data by an activity.
- Ledger Account – Used to classify revenue and expenses for financial reporting.
- Spend Category - Used to provide insight into the University's expenses, the related Ledger Account will default.

Access to Workday

Workday can be accessed by any authorized user a variety of different ways. For quick access, PI's, Co-PI's, Department Heads and Departmental Assistants can add Workday to Apps on the WPI Hub homepage or they can also open one of these locations in a web browser:

- <https://portal.office.com>
- <http://workday.wpi.edu>
- myapps.microsoft.com
- <https://hub.wpi.edu>

Within Workday, the users can process tasks such as payroll, expense reports, purchase orders and supplier invoice requests to process expenses applicable to a specific grant or other funding source. This financial system also can be used to retrieve and/or download detail activity for sponsored funds.

Budget & Expenditure Monitoring

The Principal Investigator (PI) is responsible for carrying out a project as proposed. WPI expects the PI to use all reasonable "best efforts" to comply with the terms, conditions, and policies of both the sponsor and WPI. This includes routine monitoring of the administrative and financial aspects of his/her awards, timely submission of all required reports and processing of internal transactions.

Sponsored Programs Accounting reviews awards for inappropriate charges, post-term expenses, and overruns. This is done during the preparation of invoices/drawdowns, preparation of financial reports, and during expenditure and account review.

PI's and authorized Grant Financial Analysts can view sponsored spending utilizing the reports within the Grants Management Dashboard within Workday. The following Workday reports are available for sponsored awards:

- Grant Budget vs Actual (Sponsor Funded)
- Grant Budget vs Actual (Cost Share)

- Internal and Membership Funded Grants Report
- Grant Transaction Details - With Indirect Costs
- Grant Transaction Details - Without Indirect Costs
- Active Grant Roles
- Grant Funded Employees - For PIs

Budget Revisions

The Principal Investigator (PI) and the University are responsible for adhering to the conditions of the sponsored agreement and obtaining required approvals should budget revisions be necessary. Budget amendments are generally needed when the following situations occur depending upon grantor restrictions:

- (i) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).
- (ii) Change in a key person specified in the application or the Federal award.
- (iii) The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
- (iv) The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with Subpart E—Cost Principles (eg. purchasing capital equipment not in approved budget)
- (v) The transfer of funds budgeted for participant support costs to other categories of expense.
- (vi) Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award, including fixed amount subawards.
- (vii) Changes in the approved cost-sharing or matching provided by the non-Federal entity.
- (viii) The need arises for additional Federal funds to complete the project.

If a budget revision is needed, the PI should contact SPA. SPA will review the terms and conditions of the specific award to assist in determining if the revision can be approved internally under OMB's Expanded Authorities or if sponsor approval is required.

If the budget can be approved internally, SPA will work with the PI to determine what changes should be made to the budget. These adjustments will be noted in the file and the corresponding account changes may be made in Workday.

If sponsor approval is needed, the PI should complete the [Post-Award Action Form](#) which routes to the Office of Sponsored Programs (OSP). Once the sponsor approves the revision, OSP will update the award file. SPA will revise the budget in Workday and issue a Notice of Award change. At this time, the PI can proceed with spending in accordance with the new budget.

Pre Award Costs

WPI discourages establishing a project fund number before an award is received, since expenditures incurred before award receipt are made at the Institute's risk. However, if effective and economical conduct of the project necessitates incurring expenditures prior to receipt of the award, the policy is as follows:

Principal Investigators should complete and submit an [Advance Account Form](#) signed by their Department Head and Dean to the Office of Sponsored Programs (OSP) to request an advance fund. OSP will approve such request after having verified the anticipated award amount and the performance period with the sponsor.

Deficits

It is the responsibility of the Principal Investigator (PI) to control expenditures within the limits of each award. All overruns or deficits must be authorized and absorbed promptly within existing budgets of department or University funds. Expenditure deficits may not be transferred from one award to another award simply because funds are available in the other award.

Financial Reporting

Internal - OSP and SPA will provide periodic reports to university administration on grants applied for, grants received, expenditures per PI/Dept, and IDC received. These report will be used as a managerial tool to ensure that funds are being spent timely.

External Financial- SPA is responsible for preparing and submitting all interim and final financial reports set forth by the requirements and regulations of the grant award or contract to the appropriate funding agencies.

Financial Closeout

As an end date approaches, SPA will review the award and will reach out to the PI to discuss financial close out options if needed. These may include the need for a continuation or extension. If no extension is needed, the PI will review the award to ensure all financial transactions have been recorded and SPA will send out an invoice to collect any outstanding receivables.

SPA will review the award to ensure all financial reports have been submitted per sponsor requirements.

Once determined that the project period has ended and all necessary financial administrative actions and obligations have been completed, the award will be closed out by SPA.