

90-Day Requests

COFFEE CHAT

What is a 90-Day Exception Request?

- Federal guidelines and University policy require that charges to accounts and corrections be made within a 90-day period.
- A 90-Day Exception Request is a formal request to transfer **salary** expenses from one account to another outside the 90-day window.
- University Policies and Internal Controls have been designed so that transfers after 90-Days are infrequent and when approved, well documented.

Federal Guidelines

- **Uniform Guidance** requires “the institution must be able to explain and justify all charges transferred on to federal awards, whether the costs are transferred from some other federal account, a non-federal account, or a University account
- **DHHS Cost Transfer Policy** states “permissible cost transfers should be made promptly after the error occurs”.
- **NIH Grants Policy Statement** allows cost transfers that represent corrections of clerical or bookkeeping errors to be accomplished within 90 days of when the error was discovered. “The transfer must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge by a responsible organizational official...an explanation merely stating that the transfer was made ‘to correct error’ or ‘to transfer to correct project’ is not sufficient.”
- **Federal Cost Accounting Standards** require that such transfers be treated consistently across all University funding sources.

What's the big deal?

- Frequent cost transfers, cost transfers made long after the original charge, and transfers at close-out raise questions about the reliability of the University's accounting systems and internal controls.
- The federal government scrutinizes cost transfers looking for indications of misallocated funds.
- Because 90-Day transfers frequently involve certified effort, it calls into question the veracity of the certification. Every instance of recertification diminishes the integrity of that confirmation and every other confirmation by that Principal Investigator.

What's the big deal?

- Findings by sponsor auditors can cause disallowed charges to be extrapolated to the University's entire portfolio of awards with the sponsor. Sanctions can run into the millions of dollars.
- The University's A-133 audit is reviewed by all entities that have issued a subaward to us. This leads to:
 - Increased scrutiny of invoices we send to Prime Recipients for subawards. This can place an administrative burden on staff to meet requests for additional documentation.
 - High reputational costs.

Are transfers after 90-Days permissible?

The short answer to a request for a reallocation of charges after 90-day period is “No.”

However, if the transfer meets the criteria for one of the 6 allowable exception categories, it may be approved.

University Policy

Policy 11-01-07 Effort Reporting and Certification Policy

Exceptions for Salary Reallocation Beyond 90 Days of the End of the Period of Performance - Any salary reallocation beyond 90 days from the end of the period of performance must be requested in writing and include a complete explanation of how the error occurred, the reason the transfer is late, a certification of the propriety of the charge to the sponsored project, and the plan to prevent similar issues in the future. Supporting documentation is required for all such requests.

University Policy

University Policy 11-01-07 details several specific exceptions to the 90-day rule, all of which revolve around several premises:

- The modification is necessary because it benefits the sponsor,
- The modification is allowable because it will have no effect on the sponsor,
- The modification was not possible earlier due to administrative delays in finalizing grant agreements and appropriate documentation has been maintained.

To be approved, an exception request must clearly fit one of the six approved categories. The reallocation will need to be approved by the CFO or his designee and the transaction entered centrally.

University Policy

Policy 05-06-07 Level Report Review and Reconciliation

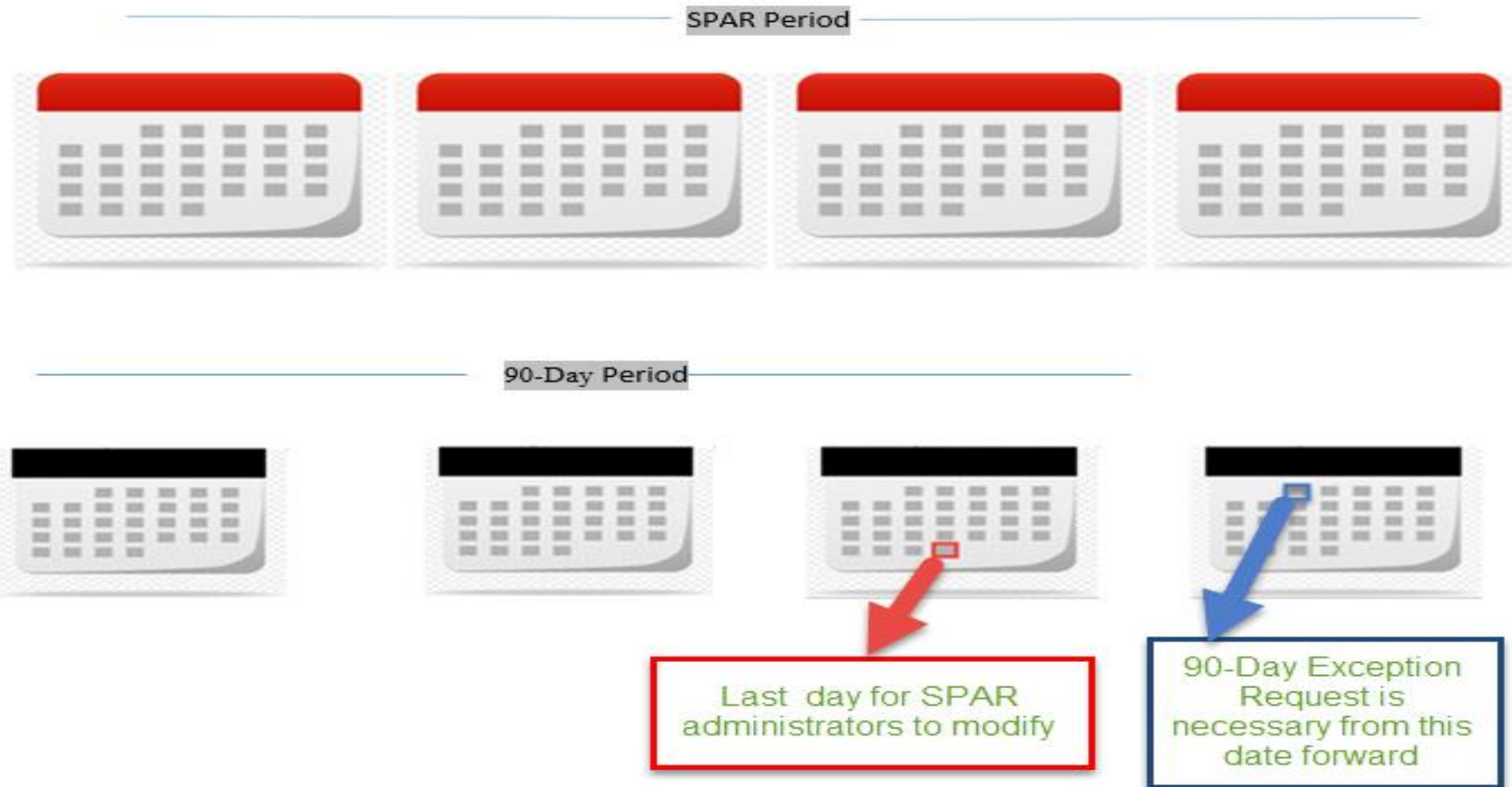
- Departments are responsible to:
 - Download, review and reconcile Level Reports in a timely manner
 - Process any adjustments in a timely manner.
- Full policy is available at:
cfo.pitt.edu/policies/documents/policy05-06-07.pdf.

90-Day Window: Salary vs. Non-Salary

The University has a 90-day rolling window for modifications to **non-salary** charges starting with discovery date of the error, assumed to be the month following the initial transaction (in accordance with policy 05-06-07).

The opening of the certification period in ECC is the first time a PI has the opportunity to review **salary** distributions. Therefore, a rolling window is not appropriate since the PI is required to certify the distribution of effort. The 90-day window for salaries expires 3 months after the end of the academic period of performance, coinciding with the end of the certification period and the SPAR Administrator's ability to modify the distributions to the period. This allows the PI the opportunity to modify any distributions that they do not agree with for the full academic period being certified.

Calculating 90 Days



Request for SPAR Reallocation Greater than 90 Days Form

All fields must be completed.

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Office of Financial Compliance for Research

Request for SPAR Reallocation Greater than 90 Days

Employee Name

SPAR #

SPAR Period

In accordance with OMB Circular A-21, reallocations of salary charges to sponsored projects are allowable if the expenditure is incurred in the advancement of the work for that particular project and meets all other criteria for allowable costs. Corrections of errors to account distribution may be reallocated to a sponsored project within 90 days of the month end in which the original expenditure occurred. Please indicate below the exception category that you feel is appropriate for this situation and provide a full explanation of the circumstances regarding this request:

- Removal from a sponsored project of an inappropriate or expressly unallowable charge regardless of lapsed time.
- Removal of charges disallowed by audit or sponsor.
- Reallocation affects only some combination of master and sub-accounts within the same award year and billing ID with all accounts involved open and active.
- Early account number request was not approved. Evidence is required that early account request had been submitted.
- Adjustments necessary on training awards to align payments to trainees with federally mandated salary rates. Reconciliation to official award termination notice required.
- Reallocation affects only some combination of non-research accounts and does not cross fiscal years if entity 02 (operating).

Attach a detailed explanation of the situation including how the error occurred, a certification of the propriety of the charge to the sponsored project, and a plan to ensure that errors of this nature will not occur on this or future awards. Include any relevant documentation from Internal Audit or the Sponsor. Incomplete applications or

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those without sufficient explanations, documentation or signatures will not be considered.

If the reallocation affects salaries previously certified, one recertification is allowed within the 90 days following the end of a SPAR period. If the reallocation request exceeds the certification window or affects salaries previously recertified, the reallocation will need to be approved by the Chief Financial Officer (CFO) or his designee before the reallocation/recertification can occur. Have these salaries been previously recertified?

- Yes
- No

Contact Person:

Email Address:

Phone:

I certify that the situation explained with this request is accurate and the resulting charges to this sponsored project are reasonable, allowable and incurred to complete the project specifications.

PI Printed Name

PI Signature

Date

Division Administrator Printed Name

Division Admin Signature

Date

Chair Printed Name

Chair Signature

Date

Completed request forms and all supporting documentation should be emailed to sparhelp@cfo.pitt.edu with pdf or scanned attachments .

Request for SPAR Reallocation Greater than 90-Days Form

90-Day Request form is used to request:

- Late cost transfers on SPARs
- Late cost transfers on SWCTs
- Requests to modify effort that has been recertified.

Form is available on the FCR Website:

https://www.controller.pitt.edu/wp-content/uploads/90-Day_Exception_Request_Form-1.pdf

90-Day Exception Request Documentation

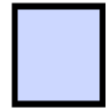
- Completed Request for SPAR or SWCT Reallocation Greater than 90 Days Form with all appropriate signatures. (Preparer, PI, Chair and/or Division Administrator)
- Justification explaining how the error occurred, the reason the transfer was not completed timely and a plan to prevent similar issues in the future.
- Documentation to support the exception category.
 - Copies of records from University systems. (SPAR, RPA, PERIS)
 - Requests to add charges to a sponsored account require significantly more documentation to document the effort that was devoted to the account.
 - ❖ See Effort Documentation Required when Account Number is Delayed
<https://www.controller.pitt.edu/wp-content/uploads/Effort-Documents-Required-When-Account-Number-is-Delayed.pdf>
- Marked up copy of official SPAR or SWCT showing the modifications requested.

90-Day Approved Exception Categories


Below are the approved exception categories:

- Removal from a sponsored project of an inappropriate or expressly unallowable charge regardless of lapsed time.
- Removal of charges disallowed by audit or sponsor.
- Reallocation affects only some combination of master and sub-accounts within the same award year and billing ID with all accounts involved open and active.
- Advanced Account Request was not approved. Evidence is required that the award is a contract and that effort was performed in period requested.
- Adjustments necessary on training awards to align payments to trainees with federally mandated salary rates. Reconciliation to official award termination notice required.
- Reallocation affects only some combination of non-sponsored accounts and does not cross fiscal years if entity 02 (operating).

The following slides detail the purpose of the exception and required supporting documentation.

 Removal from a sponsored project of an inappropriate or expressly unallowable charge regardless of lapsed time.


- This exception allows for the removal of inappropriate charges. It always benefits the sponsor.
- The exception does not make it possible to transfer the charges to another sponsored account.
- The marked-up SPAR must indicate the institutional account (entity 02, 03, or 04) to be charged.

 Removal of charges disallowed by audit or sponsor.

- Requests for modifications relating to internal audit reviews need to include detailed documentation of Internal Audit's findings.
- Sponsor requests for modifications must be based on documentation in the sponsor agreement itself.
 - Authorization from a Program Manager will not be accepted, as they do not have the authority to override federal laws.

Reallocation affects only some combination of master and sub-accounts within the same award year and billing ID with all accounts involved open and active.

- Master/subaccounts between units of the University are created for internal budgeting convenience. These subaccounts are not individual agreements with the sponsor, therefore transfers are permitted between these accounts when they are open and active.
- The **billing number** is the key determinant in identifying the accounts as being part of the same master agreement.
- Transfers under this category have a \$0 impact to the award.

 Advanced Account Request was not approved. Evidence is required that the award is a contract and that effort was performed in period requested.

- University Internal Controls call for Advanced Account Requests (AAR) to allow for work to begin on a project with charges properly allocated to the account while negotiations continue.
- If work is begun on a project prior to the completion of negotiations and signing of an agreement, the department always takes the risk of bearing the subsequent charges, but an Advanced Account reduces the risk by eliminating 90-day concerns.
- The department of the Master Award is responsible for initiating all appropriate AARs (Master and Subaward).
- When an AAR is denied, the Notice of Award (NOA) must be acted on in a reasonable timeframe to activate account numbers and documentation of effort must be maintained in accordance with [Effort Documentation Required When Account Number is Delayed.](#)

Advanced Accounts not Available for Contracts

- Advanced Account Requests are not available for contracts, since the opening of an account number can be deemed to represent an acceptance of negotiated terms at the point of the account creation.
- Detailed instructions for documenting effort on contracts prior to the receipt of a Notice of Award can be found on our website: <https://controller.pitt.edu/wp-content/uploads/fcr/documents/Effort-Documentation-Required-When-Account-Number-is-Delayed.pdf>.
- Justification required will be a copy of the NOA, documentation of work performed as outlined in our instructions, and documentation characterizing the agreement as a contract, and contract language related to pre-award costs.
- We strongly recommend that a discretionary entity 04 account be used to house the charges until an account number becomes available to avoid running into complications with fiscal year-end cut-off rules related to entity 02 accounts.

■ Adjustments necessary on training awards to align payments to trainees with federally mandated salary rates. Reconciliation to official award termination notice required.

- Charges to training awards must comply with federally mandated rates.
- Modifications can be made to adjust the charges to comply with these rates.
- This category does not apply to modifications for training awards for circumstances other than rate adjustments.

■ Reallocation affects only some combination of non-research accounts and does not cross fiscal years if entity 02 (operating).

- Modifications involving only entity 02/03/04 accounts on both sides of the transaction can be approved without additional documentation. Since these do not involve sponsored accounts, they are not subject to sponsor audits and the need for justification is not as great.
- Requests of this sort do not require Dean and PI signatures. The Department Administrator's signature is sufficient to process the request.
- SPAR modifications in this category should not be used to clear budget overruns. Budget overruns should be funded by journal entry transfers using subcode 8260.

Checklist for **minimum** submission requirements.

	Removal of inappropriate effort	Disallowed charges	Master/Sub transfers	EAR rejected	Training Award adjustment	Non-sponsored accounts
Request form	X	X	X	X	X	X
Marked up Copy of the SPAR	X	X	X	X	X	X
Justification for transfer	X	X	X	X	X	X
Notice of Award			X	X		
Early Account Request				X		
Internal Audit findings		X				
Sponsor Documents		X				
termination notice					X	

Request Resolution

The initiator will receive an email confirmation of the decision to approve or deny the request.

If approved, you will be asked to confirm that the latest version of the SPAR shows the modifications you have requested.

In cases involving federally sponsored accounts, the SPAR modification may result in the need to recertify effort. A PAR task will be created on the Primary Effort Coordinator's home page in ECC. Once approved, the effort statement(s) will update to Recertification Required and the appropriate PIs will need to recertify. Since the deadline for certification of the period of performance has passed, the recertification must be completed by 7:00 am on the third working day after the 90-Day Exception Request has been entered.