USDA/NIFA Financial Reporting Training

FFY23 Financial Reporting Process (Formerly AD-419)

January 10th, 2024

Martin-Gatton
College of Agriculture,
Food and Environment
University of Kentucky.

M-G CAFE Business Center

Business center

MISSION STATEMENT

The CAFE Business Center is a support unit dedicated to providing customer service and facilitating financial and human resources activities within the College.

Objectives

- Assist and guide Business Officers to responsibly report the federal capacity grant expenditures on behalf of their department/unit.

- Ensure proper support is provided for distribution and calculation of direct and indirect expenditures and FTEs related to FFY23 federal capacity grants in accordance with university and college policies and procedures.

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Acronyms & Definitions

- **CAS** - Cost accounting standards; Standards to ensure uniformity and consistency in the measurement, assignment and allocation of costs

- **CAS Expenses** – Unallowable expenses per the sponsor guidelines which cannot be charged to the grant or the state sponsored match cost object

- **FCG** – Federal Capacity Grant; NIFA(National Institute of Food and Agriculture) provides support for research and extension activities at land-grant institutions through grants to the states on the basis of statutory formulas.

- **FFY** – Federal Fiscal Year; example FFY23 is for federal fiscal year 2023 from October 2022 to September 2023

- **Formula** – Project type indicating an FCG project and use of federal capacity dollars for approved project period

- **FTE** – Full-Time Equivalent; 1.0 FTE is a full time employee (2,080 hours if monthly and 1,750 hours if bi-weekly) and a 0.75 FTE employee works 75% of the position's full-time hours

- **GL Account** - Refers to classification of income or expense; also known as Cost Element or Commitment Item

- **Man Years** – NIFA's equivalent to UK's FTE

- **NIFA** – National Institute of Food & Agriculture; Grant sponsor

Acronyms & Definitions

- **Non-Capacity** – Project type indicating approved NIFA project tied to a NIFA competitive grant

- **Parent Grant** – Each sponsored program has a parent grant account where the budget resides. No actuals should charge to the parent grant, but only to the FCG project accounts

- **PI** – Principal Investigator; faculty member awarded to the NIFA project

- **Sponsored Program** - Sponsored programs are those projects and/or activities which are originated and conducted by members of the institution under similar scope of work grouped together by fund number in SAP; i.e. Hatch, Multi-State, McIntire-Stennis & Animal Health

- **State Non-Sponsored Cost Center** – State cost center where CAS items should be charged instead of the state matching cost centers or the state parent cost center

- **State Parent Cost Center** – Also referred to as your unit's state research cost center

- **Uniform Guidance** - The Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

- **WBS Element** – Refers to a grant number beginning with 235* tied to Federal Capacity Grant projects

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Roles and Responsibilities

- [E-1-3 Fiscal Roles and Responsibilities](#)

- Section IV.E – Fiscal Responsibilities of Administrators
  - Departmental business officer shall be knowledgeable, responsible, and accountable for the fiscal transactions of their units or projects. To ensure that strong internal controls are in place.

What is the financial report (formerly knows as AD-419)?

- The Financial Report process replaces the old AD-419 financial report. It is a project level report that details all expenditures by funding source, as well as all FTEs, for the most recently completed federal fiscal year, which runs from 10/01 to 09/30 each year. The report is used for research planning and is not an auditable document at this time.

- It is due **February 1**st this year (NIFA Non-Capacity Grants) and **March 1**st (NIFA Capacity Grants)

Why does the AD-419 process matter?

- We are required to provide an annual report of expenditures to NIFA so we are allowed to continue receiving these funds.

- The federal government is required to report how the funds are spent to continue allocating them to universities.

- NIFA uses this data and the annual progress reports provided by the PI to review how the approved projects are benefiting the programs and how the funds were used.

- NIFA also utilizes this data in at least two other financial reports and one of which is auditable and reports the "integrated" Hatch and Multi-State expenditures only.

What's new for FY23 Reporting?

- For FY23, the reporting process is going to look different and take place in 2 stages with 2 different due dates.

- Stage 1 – USDA NIFA Non-Capacity Grant Reporting (OSPA projects) will be due to NIFA on February 1st and will be a separate process this year.

- Stage 2 – USDA NIFA Federal Capacity Grant Reporting will be due to NIFA on March 1st This change is due to NIFA creating a new reporting system - NRS Financial Module, which is still being developed. There is a NIFA webinar on January 25th and we will have more information on the reporting process for FY23 with a separate training and reporting process to be discussed at the end of January.

STAGE 1 - Financial report timeline for NIFA Non-Capacity Grants

- Department date to finalize entry and return the FTE calculation form(s) is Friday, **January 19th**

- What happens between Jan 19th and Feb 1st?

STEP #1	Our office reviews the data entered in the spreadsheet to check for errors or omissions and compare to last year's data to check for trends and merges the data with the final submission spreadsheet
STEP #2	The research office for CAFE then reviews the data entered
STEP #3	Based on Business Center and Research Office reviews; departments may be contacted for further clarification and/or edits

- We will **SUBMIT** the report by **February 1st**

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STAGE 1 - Financial report Instructions for NIFA Non-Capacity Grants

- Stage 1 – USDA NIFA Non-Capacity Grant Reporting (OSPA projects)
- We have completed the financial expenditure data for the OSPA grants and will need your help in completing the FTE calculation for each grant.
- We will send out the labor reports after this training and will ask you to complete the FTE calculation. We've included a column for annual salary, and you will need to look up the annual salary for each employee and the spreadsheet will calculate an overall FTE. You will then assign the FTE to a category based on the Man Year definition in the coming slides.

STAGE 1 – Financial report Instructions for NIFA Non-Capacity Grants – Labor Distribution Report

Grant		Employee	Last Name	First Name	Position		Actuals	Annual Salary	Overall FTE	Scientific	Professional	Technical	Admin
3200004460	LADDER: LOCAL APPROA	8055			50102217	Associate Professor	$2,153.22	80000	0.03				
		59000			51017016	Emergency Management System Director	$1,344.94		#DIV/0!				
		20001953			51019823	Academic Coordinator	$978.98		#DIV/0!				
		20079546			51000817	Temporary Technical/Paraprofessional	$400.50		#DIV/0!				
		Result					$4,877.64						

Man Years

- Mechanism to report all support staff and direct staff and faculty effort on each project
  - The minimum the system will allow is 0.1 FTE
- Man years classified under the following categories:
  - Scientist Years
  - Professional Years
  - Technical Years
  - Administrator and Other
- Each project MUST HAVE man years related to the project
  - Meaning… the research project could not take place if someone doesn't have effort attributed to the project
  - Best Practice – Each project WBS element should have PI and other supporting employee's labor charged directly to the project and/or on the state matching cost center.
- Ensure that all man years are applicable and reasonable as per the expenses reported for the project

Man Years Defined - Scientist

- A scientist is a research worker responsible for original thought, judgments, and accomplishments in independent scientific study. This includes the investigation leaders, project leaders, and portions of the time of supervising scientists or staff assistants whose work meets the preceding definitions. Generally, the individual holds an academic rank of assistant professor or above and is capable of holding principal investigator status at the reporting institution. Outstanding graduate students with sound backgrounds of professional accomplishments may thoroughly merit the responsibilities of a scientist. However, most graduate students are rated as professional support.

- Administrative staff should be excluded unless they meet these requirements and are active participants in the actual research of the project. It is important to report scientist years accurately, because this category is frequently used in decision making.

- Job titles for scientists include:
  - Professor
  - Associate Professor
  - Assistant Professor
  - Distinguished Professor
  - Scientist

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Man Years Defined - Professional

- A professional does not qualify as a scientist under the preceding definition, but nevertheless contributes to research activities. Professionals usually hold one or more college degrees and have otherwise qualified for employment in a professional category. A few may hold a Ph.D. or equivalent degree, and may be in a high-level academic position, but nonetheless may be categorized as a research assistant or research support rather than as a research scientist. Graduate students may be categorized as professionals. Generally, professionals have a high degree of research-activity responsibility but do not hold principal investigator status at the reporting institution.
- Job titles for professional support include:

- Administrative Assistant (monthly)

- Associate Director
- Department Head
- Instructor
- Research Associate
- Resident Director
- Statistician

- Programmer
- Analyst
- Director
- Assistant Director
- Graduate Assistant
- Research Assistant
- Research Specialist

- Post-Doctoral Fellow
- Visiting Professor
- Fiscal Officer
- Editor

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Man Years Defined - Technical

- Technical Support staff are associated with research efforts in a technical capacity and do not participate in the investigative aspects of the research
- Job titles for technical support include:
  - Laboratory Assistant
  - Mechanic
  - Laboratory Technician
  - Draftsman
  - Research Technologist
  - Farm Foreman
  - Carpenter
  - Machinist
  - Skilled Tradesperson

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Man Years Defined – Administrative and Other

- Generally, clerical support staff and other non-research staff contribute to the nontechnical support of the research project. It may be difficult to accurately assess an individual's clerical and labor support to any one project. Staff support members assist a group of researchers in a broad manner, such as a typing pool might support a group of investigators in a department or school.

- Job titles for clerical and labor include:
  - Administrative Secretary (Bi-weekly)
  - Maintenance Repairman
  - Clerk

- Farm Technician
- Typist
- Stenographer
- Farm Worker
- Data Entry
- Secretary

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Questions?

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