

# Important Update

## Office of Research Administration

November 2006

I am writing to follow up on the letter from President Levin, dated October 27, 2006, regarding “Financial Administration of Sponsored Projects.” This note will provide additional information on a number of the important initiatives mentioned briefly in his letter. Periodic updates will be provided in this format on important news about administration of sponsored projects and how it impacts faculty researchers.

### Cost Transfers

Cost transfers (the practice of moving a charge to or from a sponsored project) can be a red flag that awards are not being managed properly. To ensure proper stewardship of sponsored funds at the University, cost transfers:

- are now subject to review and approval by the Grants and Contracts Financial Administration (GCFA) office. For more information about this review process please [click here](#);
- require an explanation of benefit to the receiving award. An explanation merely stating “to transfer to correct project” is insufficient;
- may be discussed with the Expenditure Review Panel if a PI or Business Office has questions regarding allowability on a sponsored project. This panel has been formed to make informed judgments about the allowability of questioned costs (before or after the fact). For additional information please [click here](#); and
- deemed unallowable on a sponsored project are the responsibility of a department to fund from a non-sponsored project.

### Effort Reporting

Effort reporting is a complicated, but important, area of financial compliance on sponsored projects. The University will be making a number of changes to the effort reporting process at Yale in the coming months, including:

- a new form that will go into effect on November 20, 2006 for the Summer, October, and subsequent reporting periods;
- this new form will include an “Actual Effort Percentage” column and a new certification statement;
- two new policies will be taking effect on December 1, 2006 related to “Effort Reporting: Certifying Effort on Sponsored Projects” and “Effort Commitment: Managing Effort Associated with Sponsored Projects”;
- Effort Reports must be certified on a timely basis; and
- faculty are required to certify their own forms.

### Account Holder Report

The Account Holder Report is a financial report that provides a PI with a summary of all of his/her projects as well as detail on actual results, financial commitments recorded in the University’s financial systems, and estimated balances remaining. The Account Holder Report:

- has been designated by the University as the standard report for Principal Investigators to review the financial status of their sponsored projects;
- should be reviewed by the PI on a monthly basis in order to discuss any questions or adjustments with your Business Office;
- will be available in most departments with sponsored projects by January 1, 2007; and
- PIs should check with their Business Office regarding availability and delivery options for the Account Holder Report.

### **New On-line Purchasing Tool (SciQuest)**

The on-line purchasing tool, SciQuest, is now the required method for most purchases such as lab, office, and computer supplies. SciQuest:

- allows the user to allocate costs for purchases among multiple accounts in advance, which can reduce the need for cost transfers;
- enables you to search for an item across multiple vendor catalogs for the best prices;
- has a convenient “my favorites” option for storing frequently-purchased items from one or more vendors;
- purchases show up automatically as a financial (purchase order) commitment on the Account Holder Report and is reflected in the report’s remaining balance figure; and
- contact your Business Office if you have questions about using SciQuest in your department or laboratory.
- NOTE: starting January 1, 2007, Yale suppliers will no longer accept VIP phone or fax orders as a valid method for ordering goods and services. The VIP number will be for internal Yale use only, as shorthand for Yale charging instructions (PTAOs). The SciQuest tool will enable you to continue using your VIP numbers via a SciQuest Purchase Order for purchasing supplies and equipment. You will also be able to continue using your VIP numbers in the “Accuship” solution to place express shipping orders.

### **Training**

As you are aware, Principal Investigators are ultimately responsible for all aspects of their sponsored projects, including the scholarly activity and proper stewardship of their awards. Working with PIs to support their role in award management, the University has developed training for PIs related to their roles and responsibilities as well as specific topics of importance in today’s research environment such as effort reporting, allowability, and cost transfers. Training for faculty on financial administration of sponsored research:

- will be mandatory for all faculty receiving sponsored project funding;
- will begin in December with sessions planned through March 2007. Dates and other specific information on faculty training will follow in a separate communication from the Provost; and
- must be completed by all faculty researchers by June 30, 2007.

For information on these or other questions about the financial administration of sponsored research, please contact your Business Office, the Office of Research Administration (432-8049), or me (432-8630; [andrew.rudczynski@yale.edu](mailto:andrew.rudczynski@yale.edu)).

Andrew Rudczynski  
Associate Vice President for Research Administration