The Impact of ARC on Sponsored Projects

Purpose of Today’s Forum

• Help you understand what is changing due to ARC
• Led by SPA & SPF staff, but includes other subject matter experts to help answer questions
• Identify resources available to you after Go Live

Agenda

1. ERP Timeline & Scope of Change
2. SPA & SPF Readiness Activities
3. Key Changes due to ARC
   • Pre Award Changes
   • Post Award Changes
4. Support After Go-Live
5. Additional Tools & Resources
6. Q&A
ERP Timeline and Scope of Change

- **June**
  - ARC Conversion
  - PAC Employee Conversion
  - ARC FYE Conversion
  - ARC Go-Live 7/9

- **July**
  - PAC Go-Live 7/16

- **August**
  - 8/13

Another Perspective on the Timeline

- **FAS, EIE**
  - 7/7 - 8/16

- **ARC**
  - 7/7 - 8/16

- **PAC**
  - 7/16

- **NFY**
  - 8/19

- **NFY**
  - 9/5

- **RCE**
  - 9/18

*Note FAS data conversion dates to ARC*
Readiness Activities

• Across the University, many staff have participated in preparing for ARC:
  • Implementation team and workgroups
  • Testing
  • Training

SPA Readiness Activities

• Four Phases of Internal SPA Training:
  • Introduction to ARC and its impact on SPA
    • April 2012
  • User Acceptance Testing (UAT) in InfoEd in order to create Projects and Activities
    • April – May 2012
  • Web-based Training provided by FIN ERP Team
    • June 2012
  • Review of SOPs, Business Processes, Revisions to Forms, etc
    • June 2012
SPF Readiness Activities

- SPF readiness activities involved:
  - Representation on Implementation Team for Project Costing Module
  - Development of Content for Transition Sessions and WBTs focused on Project Costing Module
  - Participation in User Acceptance Testing
  - Development of 2 SPF-specific Instructor Lead Trainings
  - Orientation of Service Now Personnel on Sponsored Projects
  - Updates to Policies, Finance Web Site, Internal Tools Used for Operations
  - Project for Closeout of Terminated Accounts

KEY CHANGES DUE TO ARC

Policies

- Most Policies Remain Unchanged
  - 20 out of 21 policies governing Sponsored Projects in the Administrative Policy Library are substantively the same
Policies, cont.

SPA Policies:
• Proposals must still be submitted at least five business days prior to the sponsor’s deadline
  • Proposals should be submitted electronically at least two days prior for your validation window
• Guarantee letter still required when proposal contains mandatory or voluntary cost sharing at proposal stage
• Still required to use SPARC to request certain actions:
  • Pre-award spending, Advance accounts, Rebudgeting, No Cost Extensions

Policies, cont.

SPF Policies:
• The 90 day rule for cost transfers, and the requirement of reconciliations 30 days before a financial status report is due, have not changed
• The only substantive policy change involves cost sharing
• Updated policies should be available in the Administrative Policy Library after ARC go-live
• All post award policies have been updated to reflect ARC terminology

Key Changes Due to ARC

• While policies remain substantively the same, the way we do business – our processes – have changed
  • Changes have been made to:
    • Processes & Procedures
    • Internal Forms
    • Systems
    • Queries and Reports
Review of ARC Concepts

Before Discussing further, a brief review:

• Project Costing:
  • A module within ARC that collects and tracks financial information for Sponsored, Capital, and Designated Projects. This includes transactions and balances over the life of the Project which may cross over a single fiscal year
  • Can be thought of as a repository of Project information for budgeting, sponsor billing, and reporting purposes
  • SPA creates Projects and Activities in InfoEd, which feed into the Project Costing module in ARC

Sponsored Projects in ARC

How are Sponsored Projects handled in ARC?

• In ARC, the Project replaces the GL Account
• A Project represents a unique funding source, and all transactions are associated with a Project. Each Project will have at least one Activity, and some Projects will have multiple Activities
• Projects are displayed as 8-character alphanumeric values, for example, GG001004
**Project, cont.**
- For GG001004, the two-letter prefix (GG) refers to the Project Range, while the 6 numbers that follow (001004) represent the unique Project number
  - GG = Government Grant
  - PG = Private Grant
  - IN = P&S Industry Clinical Trial
- Must have a start date and end date. Is owned by a specific Department, though associated transactions can originate from multiple Dept's
- All Projects are set up at the Level 8 department level

**Activity**
- In ARC, the Activity replaces the SL account
- Project Activity can further define a budget period or scope of work. At least one Activity is required for a Project
- Activities are identified by a 2-character numeric value following the Project, for example, GG001004-01

**Activity, cont.**
- For Sponsored Projects, Activities are mechanisms aimed at helping researchers and administrators manage their funding over the life of a Project
  - Funding agencies may require multi-year or complex Projects to have unique and identifiable budget periods or scopes and, as a consequence, multiple Activities
  - In addition, multiple Activities may be requested to segregate research done by academic Departments if more than one is involved in the same research Project
Activity, cont.

- Activities are created for each SCOPE, like scope accounts
- Activities are created for each budget period of a multi-year project where carryover funds are restricted from year to year (much like it is today)
- One key difference is that the PROJECT number will remain the same for the life of the competitive segment
- However, only one activity is needed if there are no scopes, and no restriction in carryover funds (for example, an NIH R01 grant)

Activity, cont.

Converted Awards

- If Multiple GLs, then Multiple Projects will be converted
- BUT, moving forward, future years will be consolidated into the most recent Project
- Example: Years 1 and 2 (pre-ARC) will have separate Projects, Years 3-5 will be added to Year 2.

Key Changes Due to ARC

Pre Award Changes

- Rascal will reflect new ARC department tree
- Departments should select the appropriate Level 8 department as the administering department in Rascal
- If the Level 8 cannot be determined at proposal submission, must choose, at the very least, a Division Level (usually a Level 6)
- If proposal is awarded, the project must be set up at a Level 8 department level
- Data in Rascal must be accurate. Selecting the appropriate administering department is crucial, as the data is used for departmental reports!
Key Changes Due to ARC, cont.

Pre Award Changes
• Proposal Development (PD) in InfoEd will reflect new ARC Department Tree
• Departments should select from the new ARC department tree the appropriate department/institute/center administering the grant
• All questions related to PD should be sent to InfoEdHelpDesk@columbia.edu

Key Changes Due to ARC, cont.

Pre Award Changes
• Cost sharing procedures
  • Guarantee letters are still required at time of proposal if voluntary or mandatory cost sharing is included in the proposal (with the exception of NIH Cap cost sharing)
  • Must provide non-sponsored account (now called PROJECT in ARC) in the guarantee letter
  • However, if the proposal is AWARDED, SPA will require that a NEW non-sponsored cost share project be set up by Financial Reporting & Operations (FR&O) in order to track MANDATORY cost sharing*

*More on this new cost sharing process in the Post Award Changes section of this presentation

Key Changes Due to ARC, cont.

Post Award Changes
• Continue to make requests using the Institutional Approval/Prior Approval (IPASS) Form online using SPARC
  • http://columbia.force.com/SparcForm
• Some items will change on the web form to reflect the new department tree and ARC terminology
Key Changes Due to ARC, cont.

Post Award Changes

- SPA will request and require a budget for all Advance account (now called Projects) requests
- Provide budget as an attachment to SPARC

Key Changes Due to ARC, cont.

Post Award Changes

- NEW information will be requested at AWARD time (when NGA is received) to capture new ARC Chartfields:
  - Initiative
  - Segment
  - Site
  - Verify Level 8 Department Number (MUST set up new awards using Level 8)
  - Names on Project Team (replacing Responsible Person 1,2,3)
- The new information must be provided to SPA using SPARC:
  - [http://columbia.force.com/SparcForm](http://columbia.force.com/SparcForm)

Project and Activity Team

The Project and Activity Team identifies the people responsible for the Project or Activity
Project and Activity Team, cont.

<table>
<thead>
<tr>
<th>Project Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PI</td>
<td>Principal Investigator</td>
</tr>
<tr>
<td>CO-I</td>
<td>Co-Investigator</td>
</tr>
<tr>
<td>SCOPE-I</td>
<td>Scope Investigator</td>
</tr>
<tr>
<td>OTHER KEY</td>
<td>Other Key Personnel</td>
</tr>
<tr>
<td>FELLOW</td>
<td>Fellow</td>
</tr>
<tr>
<td>SPA FA</td>
<td>SPA Financial Analyst</td>
</tr>
<tr>
<td>REPORT ACCESS</td>
<td>Report Access – provides access to a specific sponsored project, but not the whole department</td>
</tr>
</tbody>
</table>

New Budget Accounts

- SPA will set up all new and non-competing awards using budget accounts (a select group of budget categories)
- However, departments will charge to the detail level, which will roll up into the major budget accounts
- Subcodes will not be used in ARC
- For example, SPA sets up a budget account:
  - 61400 - Supplies & Materials, however, the department can charge by the granular ‘natural account’
    - 61520 – Lab Supplies – Paper Products
    - 61565 – Lab Supplies – Gases
    - 61600 – Medical Supplies – General

F&A Option Codes

- In ARC, F&A Option Codes will not be used
- SPA sets up F&A using the appropriate:
  - F&A rate (ex. 60%, 10%, etc.)
  - New Program Type (Research, Training, Conferences, etc.) will drive the F&A Base
Quick Cost Sharing Review

• Mandatory cost sharing/Matching funds
  • required by the sponsor as a condition of the award
• Voluntary committed cost sharing
  • promised by the researcher
• Voluntary uncommitted cost sharing
  • not promised by the researcher, but happened anyway

New Cost Sharing Process

• All awards containing mandatory cost sharing will require a separate, cost share project to be created and linked to the sponsored project
• Department must request cost share project from Financial Reporting & Operations (FR&O) using Chartfield Request Form
• Department must provide the cost share project to SPA
• SPA links the cost share project to the sponsored project in order for department and SPF to track the projects together

New Cost Sharing Process, cont.

• SPA will continue to set up sponsored projects at the time of award. However, department must provide SPA with the cost share project within 60 days
• After 60 days, if no cost share project provided, a HOLD will be placed on the sponsored project, preventing all financial transactions
PIN
- The Project Information Notification Report (PIN) replaces the SPBA
- Departments will be notified by email when a sponsored project has been created
- Departments can then run the PIN

PIN, cont.
- PIN report link can be accessed via the ARC portal MyColumbia page:

Subawards
- Subawards will be budgeted to a single budget account, even if there is more than one sub-award on a given Project
- 65000 - SUBCONTRACTS
- Departments will need to spend using the natural accounts
- 65010 – SUBCONTRACTS IN MTDC
- 65020 – SUBCONTRACTS OUT OF MTDC
- Departments will need to use the Purchase Order (PO) Inquiry page to determine balances
- Purchase Order (PO) ID will take the place of the subaward name on most reports
Subawards, cont.

- Subawards will not be budgeted individually in ARC
- Helpful to use several ARC queries specific to SAPOs
  - CU_PO_SAPO_BUDGET: Budget snapshot info for Subaward POs
  - CU_PO_SAPO_PO: PO chartfield and expended amount charged to a Subaward PO
  - CU_PO_SAPO_VOUCHERS: Voucher and payment info for a Subaward PO
- Departments may also use the Sponsored Project Financial Report to identify all open POs for the selected Project

Subawards, cont.

- SPA, rather than departments, will contact Vendor Management to add new subcontractors
- In order to facilitate the Subaward PO (SAPO) process for new subrecipients, SPA will initiate the ARC vendor setup process with Vendor Management

New Project Attributes

- New project attributes that impact Sponsored Projects include:
  - Advance Flag
    - Advance projects will have $1 dollar budgets at conversion, and estimated budgets post go-live
  - CTV Flag
    - Applied when CTV negotiates & handles the agreement
  - Cost-sharing Field
    - Populated with Cost Sharing Project ID and Amount
New Project Attributes, cont.

• New project attributes include and will be discussed on the following slides:
  • Competitive Award Issue Date
  • Project/activity statuses
  • Dates/Period

CAID

• Competitive Award Issue Date (CAID)
  • Useful for determining GRA Rate cap and F&A Rate
  • Populated by SPA
  • Definitions vary slightly for different types of awards
    • Federal awards (no flow-through)
    • Federal Flow-through
    • Nonfederal Awards
      • Mandatory data entry to maintain consistent business process, and will not impact F&A or GRA cap

CAID, cont.

• CAID General Definitions
  • Grants/cooperative agreements: original award issue date
  • Contracts: last date of execution
  • NCE: same as for original grant, CA, or contract
  • Supplements: same as for original grant, CA, or contract
  • Subcontracts: if NIH, prime award issue date, else last date of execution for subcontract
  • Subcontracts that start after year 1 of prime award: last date of execution for subcontract
## Statuses in ARC

<table>
<thead>
<tr>
<th>Project Status</th>
<th>Open</th>
<th>Ended</th>
<th>Closeout</th>
<th>Closed</th>
<th>Hold</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requisition</td>
<td>OK</td>
<td>Reject</td>
<td>Reject</td>
<td>Reject</td>
<td>Reject</td>
<td>Reject</td>
</tr>
<tr>
<td>PO</td>
<td>OK</td>
<td>Reject</td>
<td>Reject</td>
<td>Reject</td>
<td>Reject</td>
<td>Reject</td>
</tr>
<tr>
<td>Voucher</td>
<td>OK</td>
<td>Warning</td>
<td>Reject</td>
<td>Reject</td>
<td>Reject</td>
<td>Reject</td>
</tr>
<tr>
<td>PO Close</td>
<td>OK</td>
<td>Warning</td>
<td>Reject</td>
<td>Reject</td>
<td>Reject</td>
<td>Reject</td>
</tr>
<tr>
<td>Journal Entry</td>
<td>OK</td>
<td>Warning</td>
<td>Warning</td>
<td>Reject</td>
<td>Reject</td>
<td>Reject</td>
</tr>
</tbody>
</table>

- Ended status is applied automatically
  - Project / Activity End date
- Closeout and Closed statuses are applied manually by SPF
- Hold status requires agreement between School/Department, SPF, and SPA

## Dates in ARC

- **Project Period**
  - The Project Period describes the length of the current project, beginning the first year of the competitive segment or funding period and ending the date through which the award has been funded
  - The Project Period is typically no more than five years (example: 5/01/2010 – 4/30/2012), though may be shorter or longer

- **Activity Period**
  - The Activity Period is the budget period for a particular scope, which is typically one year for non-SNAP awards but can span many years for SNAP awards
  - The Activity Period is typically one year (example: 5/01/2012 – 4/30/2013), though may be shorter or longer

## Dates in ARC, cont.

- **Award Period**
  - The Award Period represents the entirety of an award through the anticipated end date for funding up to the end of the current competitive segment
  - The Award Period could be several decades in length (example: 5/01/1990 – 4/30/2015), though may be shorter or longer

- **Activity Type**
  - Activities are pulled together into Budget Periods via the Activity Type attribute
  - SNAP awards have an Activity Type of BPALL, while other awards have Activity Types that are sequential (i.e. BP001, BP002, BP003)
  - Multiple Activities can have the same Activity Type if there are multiple scopes for a particular Budget Period
ARC Billing Attributes

- Historical determinants of when a sponsored project required billing, namely the Method of Funding (MF) FAS attribute, is being replaced with two ARC attributes:

  1. Bill Type
     - Signifies the nature of the invoice, and is often linked to the funding mechanism
     - For example: Cost Reimbursable, Letter of Credit (LOC), LOC Special, Department, Manual, Scheduled Pay

  2. Bill Frequency
     - Signifies the time interval at which the Sponsoring Agency expects invoices
     - For example: Monthly, Calendar Quarter, Project Quarter, Annually

F&A Bases

- Facilities & Administrative (F&A) charges will be applied to sponsored projects nightly
- The F&A Base is replacing the Option Code
- The F&A Base Tree lists Natural Accounts which will not incur F&A should they be expended against

F&A Bases, cont.

- There are 8 ARC F&A Bases, each of which corresponds with a separate list of Natural Accounts whose expenditures are excluded from the MTDC
- Due to the requirement of very specific and irregular F&A exclusions, a small population of projects are being converted with a “Manual” F&A base
- The “Manual” F&A base will not trigger system generated F&A charges to any expenses, and as a result, expenditures will be understated throughout the life of the project
F&A Bases, cont.
• In the first days of each month after each calendar quarter ends, SPF will do a manual F&A calculation and create the associated accounting entry to apply F&A charges
• SPF will try to accommodate ad-hoc adjustment requests should circumstance necessitate intermittent F&A adjustments
• DA’s should ensure PI awareness that for projects with “Manual” F&A base, expenditures will be understated over the life of the project, and less is available to be spent than the system will reflect

Department Billing
• Historically, the Method of Funding (MF) would indicate when a sponsored project required billing to be completed by the department
  • MF 24: Monthly Department Billing
  • MF 25: Quarterly Department Billing

Department Billing, cont.
• In ARC, when a project’s Bill Type is “Department,” that will indicate the requirement of department billing
  • The “Bill Frequency” attribute will indicate the interval at which invoices are due to the sponsor
  • Both can be located in the “Billing and Reporting” section under the “Sponsored Projects” heading on the PIN
Department Billing, cont.

• Recall that it is the department’s responsibility to prepare the invoice per funding agency requirements, and include two key items:
  1. Lockbox remittance address
     The Trustees of Columbia University
     Sponsored Projects Finance (SPF)
     PO Box 29789
     General Post Office
     New York, NY 10087-9789

Department Billing, cont.

2. Invoice Number in below format
   DBXXXX01
   • DB = Department Billed
   • XXXX = Last 4 digits of project number
   • PG003725 -> 3725
   • 01 = Sequential numbers
     • Next invoice would be ”02”

For example, the third department prepared invoice for PG003725 would be: ”DB372503”

Department Billing, cont.

Once prepared, Department should submit the original invoice and backup documentation to SPF Project Manager for review and signature

• Upon receipt, SPF PM will:
  1. Review the invoice
     • Route invoice back to sender if there are questions
  2. Obtain management’s signature
  3. Record a corresponding receivable entry in ARC
  4. Mail the invoice to the sponsor
     • Alternate mailing arrangements may be made
  5. Return a copy to the department for your files
Cost transfers

In ARC, most cost transfers will be initiated by the Department using the AP Journal Voucher mechanism.

- AP Journal Vouchers will be routed to SPF for approval when the expenses being moved are > 90 days from the end of the month in which expenses were applied, and when they are debiting a sponsored project.

Cost transfers, cont.

Unlike in FAS, SPF will not need to approve AP Journal Vouchers which transfer sponsored project expenses > 90 days from the end of the month in which expenses were applied to an unrestricted project.

- Federal Regulations require that these be approved, so the SPF evaluation/approval step has been removed.

SUPPORT AFTER GO LIVE
Go-Live and Year End

Come July 9th:
• SPA & SPF are ready to work extremely hard on clearing any backlog accumulated due to the system blackout period
• Expect the unexpected, as both offices might be dealing with access issues, possible glitches or workarounds, just like you

Post-Cutover
System Availability Dates

• Additional Downtime is Required for Post-Cutover Conversions

<table>
<thead>
<tr>
<th>System</th>
<th>Transaction</th>
<th>Key Date</th>
<th>Blackout Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM2LA</td>
<td>FY12 Cost Transfers</td>
<td>8/3 Cutoff</td>
<td>7/28 – 8/12 (Cost Transfers Only)</td>
</tr>
<tr>
<td></td>
<td>FY13 Cost Transfers (Available after 2nd conversion)</td>
<td>8/10 – 8/11 (ARC)</td>
<td></td>
</tr>
<tr>
<td>ARC</td>
<td>All ARC transactions and interfaces unavailable during FY12 Year End Conversion</td>
<td>6/9 Cutoff</td>
<td>8/9 – 8/12</td>
</tr>
<tr>
<td></td>
<td>7/28 – 8/12 (Cost Transfers Only)</td>
<td>N/A</td>
<td>8/9 – 8/12</td>
</tr>
</tbody>
</table>

Cutover
General Ledger Systems Deployment Dates

• Fiscal Year End Close and Deployment activities impact the availability of key financial systems including General Ledger, Procurement and Payroll
• Summarized below are key cutoff dates and related blackout periods for each of the key systems:

<table>
<thead>
<tr>
<th>System</th>
<th>Transaction</th>
<th>Key Date</th>
<th>Blackout Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAS</td>
<td>Final FY12 (OFY) Close Entries</td>
<td>8/3 Cutoff</td>
<td>N/A</td>
</tr>
<tr>
<td>ARC</td>
<td>FY13 (NFY) Journal Entries</td>
<td>7/9 Availability</td>
<td>7/1-7/30</td>
</tr>
</tbody>
</table>
Updates Related to Year-End Close

• Overdrafts
  • If you have already provided us with information related to overdrafts on accounts, SPF will continue to clear overdrafts according to your instructions.
  • If you have not provided the requested guidance, SPF Directors will continue to contact school Deans and/or Chairs, informing them of the debits that will hit their school accounts as a result of unaddressed overdrafts, noting the responsible PI, department, and project.

• In the Fiscal Year 2012 Year End Close Memorandum issued by Anne Sullivan on 4/17/12, and at the Department Administrator Forums in May, we indicated that the deadline for providing your SPF Project Manager with instruction for clearing overdrafts was Friday, June 1st.

Updates Related to Year-End Close, cont.

• Department Billing
  • Please review MF 24 & MF 25 accounts, and ensure billing is up to date.

Support

• Technical or Systems questions, including access and security, should be routed to Service Now.
• Project Officer and Project Manager Department Assignments do not change.
• The Department Administrator/Project Manager/Project Officer relationship will remain intact.
## Support, cont.

<table>
<thead>
<tr>
<th>Support Venue</th>
<th>Your Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>InfoEd Help Desk</td>
<td>Issues related to Proposal Development (PD) in InfoEd</td>
</tr>
<tr>
<td>SPARC</td>
<td>To make a request:</td>
</tr>
<tr>
<td><a href="http://columbia.force.com/SparcForm">http://columbia.force.com/SparcForm</a></td>
<td>• Advance account</td>
</tr>
<tr>
<td></td>
<td>• Rebudgeting</td>
</tr>
<tr>
<td></td>
<td>• Pre award Spending</td>
</tr>
<tr>
<td></td>
<td>• No-Cost Extension</td>
</tr>
<tr>
<td>Service Now</td>
<td>To provide additional information when an award is issued</td>
</tr>
<tr>
<td><a href="https://columbia.service-now.com/navpage.do">https://columbia.service-now.com/navpage.do</a></td>
<td></td>
</tr>
<tr>
<td>Your SPA Project Officer, SPA Financial Analyst, or SPA Project Manager</td>
<td>Always feel free to call them for specific grant or contract issues!</td>
</tr>
</tbody>
</table>

## CONTACTS AND RESOURCES

### Contact Names

- SPA
  - Mario Reyes, Interim Associate Vice President, SPA
    [mrr2101@columbia.edu](mailto:mrr2101@columbia.edu)
  - Sue Ross, Post Award Director
    [susanross@columbia.edu](mailto:susanross@columbia.edu)
  - Stephanie Scott, Communications & Outreach Director
    [sfs2110@columbia.edu](mailto:sfs2110@columbia.edu)
  - SPA Project Officers and Financial Analysts:
Contact Names, cont.

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• Tamara Hamdan, Director – Morningside Campus
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212-854-1067
• Jennifer Crockett, Director – CUMC Campus
jc3737@columbia.edu
212-851-9238

Additional Resources

SPA’s ARC Transition site:
http://spa.columbia.edu/new-transition-arc

FIN ERP site:

Fiscal Year-End and ARC Deployment Activities

PIN Job Aid will be available on the Finance Gateway after ARC Go-Live!
http://finance.columbia.edu/