May 12, 2021
Research Administration Forum

Zoom etiquette reminder

- Please keep yourself muted unless you are actively speaking
- If you have a comment/question, please type it in the group chat and a facilitator will call on you as soon as we can
- Sessions are recorded and may be made available for future reference

Agenda

- Financial Services and Sponsored Projects & Contracting Services discuss Operational Advances
- SRA International LevelUP program update
- Announcements/Information Sharing
- Open Discussion/Q&A

OPERATIONAL ADVANCES

Najah Muzahem and Beth Prim, FSO
and Julia Puntenney, SPCS

Updated Policy - FSM 9.15 Operational Advance

Given by Bethany Prim, Julia Puntenney and Najah Muzahem

May 12, 2021

Financial Services

Presentation Agenda

- What is an Operational Advance?
- Internal Audit Recommendations
- Updates in Policy / Procedure
- Establishing an Operational Advance
- Replenishing an Operational Advance
- Settling an Operational Advance
- Documentation of Expenditures
- Tracking Open Operational Advances
- Resources

What is an Operational Advance?

Operational Advance

- Operational Advances are cash advances provided to authorized University employees, graduate students, or Designated Campus Colleagues (DCCs) with Affiliate or Associate status working under the supervision of an Authorized Supervisor for expenses such as group travel, field research, payments to research subjects in approved psychological/medical experiments, and various other circumstances where it is not practical to use the campus purchasing and payment system.

When to Use an Operational Advance

Operational Advance

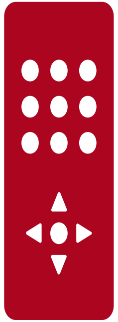
- Field research
- Group travel
- Payments to research subjects in approved psychological/medical experiments

Travel Advance

- Individual travel purposes

Internal Audit Recommendations

Define Responsibilities for Monitoring Operational Advances



- Re-evaluate all aspects of the operational advance process and identify ways to improve the accuracy and simplicity of procedures.
- Identify what the important controls over operational advances should be, define who is responsible for that control, and ensure the person/area responsible has the tools and training needed to perform the control.
- Update or rewrite Financial Services Manual 9.15.

Define when an Operational Advance Should be Used

- Evaluate the risks and benefits of using operational advances and determine when operational advances should be the selected payment method.

- Update the flow chart as needed to provide department business offices with information on determining when operational advances should be used.

Consistently Communicate Operational Advance Prerequisites

- Ensure that all applicable employees in Financial Services, Sponsored Projects Services, and department business offices understand the requirements for obtaining an operational advance, including that Cash Handling and Receiving training is not required.

Optimize Procedure for Efficiencies

- Reconsider the policy allowing only one operational advance per employee per account. Identify the risks involved with allowing multiple advances and consider whether alternate controls should be used.

- Communicate any policy changes to ensure department business offices are aware of the restrictions on operational advances.

Settle Operational Advances for Terminating Employees

- Review options for alerting departments and/or payroll that a terminating employee has an outstanding operational advance. Possible options may include developing a dashboard in UAccess Analytics that could be reviewed to see which employees have outstanding operational advances or inform departments and/or payroll representatives to contact a designated person to check whether an advance is outstanding prior to issuing a final paycheck.

- Communicate the chosen method, including updating policies as needed, and monitor for compliance.

Obtain Signatures to Acknowledge receipt of Cash

- When expense supporting documentation is received, the Financial Services Accounts Payable team should review for compliance with the policy, including ensuring that signatures were obtained when cash was provided to subjects. If the documentation is not complete, contact the employee who obtained the operational advance and the department business manager to remind them of this requirement. Request that the department business office perform alternate procedures as needed to verify that the subjects received the cash.

Provide Information to Departments

- As part of improvements to the operational advance process, determine whether department business offices will be able to access better information on outstanding operational advances and be better equipped to identify and correct errors.

Updates in Policy and Procedure

Updates in Policy

APPROVED RECIPIENT

Old

- **Project Director**
- **Authorized University Employee**
- **Non-Employee** – signed for by a responsible employee and approved by Director, SPCS or Assistant Comptroller, FNSV

Revised

- **University Employee**
- **Graduate Student**
- **Designated Campus Colleague -** with Affiliate of Associate status

Updates in Policy

REQUEST FORM

Old	Revised
• **N/A**	• **Operational Advance Request Form -** A form completed by the Approved Recipient to obtain Authorized Supervisor and department leadership approval prior to completing the Operational Advance Custodial Agreement. This form ensures the appropriate senior leadership of the department is aware of and accepts the financial risk of issuing an operational advance.

Updates in Policy

LEGAL DOCUMENT

Old	Revised
• **Promissory Note -** The employee who has requested and will be using the funds must sign the Operational Advance Promissory Note. In the event the funds are to be used by a non-employee, the Operational Advance Promissory Note must be signed by a responsible employee, such as the principal investigator, department head, or dean who is personally responsible for seeing that the advance is settled.	• **Custodial Agreement -** An agreement in which the Approved Recipient and Authorized Supervisor acknowledge business responsibility for the monitoring and the settlement of the advance, indicating their intent to comply with 9.15 Operational Advance Policy as well as Misuse of University Assets Policy Number 420-0.

Updates in Policy

ELIGIBILITY

Old

- Multiple advances are not allowed for the same individual on the same account at the same time.
- An outstanding advance must be settled before another advance will be reviewed or approved.

Revised

- An individual may not receive an additional Op Advance if the individual is already an Approved Recipient with an outstanding Op Advance that is past due or that exceeds $10,000.
- Exceptions to the $10,000 maximum rule require a fully documented interim reconciliation of the advanced funds through the date of the request with no negative findings or written approval of the Authorized Supervisor.

Updates in Policy

TIME

Old	Revised
• Silent	• Issued for the shortest duration necessary but no more than one year. • Exceptions may be made for Operational Advances on Sponsored agreements. For Sponsored agreements, all receipts and supporting documentation must adhere to the sponsor's period of performance.

Updates in Policy

EXTENSION

Old	Revised
• Extensions granted	• The Operational Advance must be settled timely to avoid collection action and taxation. If funds are required past the settlement date, a new Operational Advance must be requested.

Updates in Policy

ACCOUNT

Old	Revised
• More than one account could be used for each Operational Advance.	• Only one account number is permitted for each Operational Advance. If it is necessary to move expenses to another account, the department will need to process the appropriate document in UAccess Financials.

Financial Services

Updates in Procedure

REPLENISHMENT

Old	Revised
• N/A	• It is best practice and strongly encouraged to partially settle or replenish advances no more than every 120 days from disbursement activity. For Operational Advances used for subject payments, partial settlements or replenishments by calendar year-end are necessary to assist with accurate 1099 reporting.

Establishing an Operational Advance

Establishing an Operational Advance

•Operational Advance Request Form
•Custodial Agreement *
•Disbursement Voucher (DV) *

* When establishing an operational advance, create a DV, add a description of "Op Adv Request," and save the document ***before starting the Custodial Agreement***. The DV eDoc number needs to be included on the Custodial Agreement. Once the Custodial Agreement is fully signed, complete the DV and submit.

Establishing an Operational Advance

Training Video located at:

https://www.fso.arizona.edu/financial-management/op-advance

Replenishing an Operational Advance

Replenishing an Operational Advance

•**COPY** original Disbursement Voucher (DV) (ties docs together) and update:

•Description: "Op Adv Replenishment"
•Explanation field: should include Period of Use – Sponsored Agreements only
•Org. Doc. #: Use **Original Establishing** DV eDoc #
•Payment Reason Code: *X – Other*
•Payee Type: Employee
•Account: Use establishing account
•Object Code: Use the appropriate expense code to match the receipts
•Amount should be equal to the amount of the receipts submitted and not greater than original advance amount
•Invoice Number: "REPOPAD + <Date Funds Needed>"

Settling an Operational Advance

Financial Services

Settling an Operational Advance With Just Receipts

•Distribution of Income & Expense (DI, YEDI)

•Description: "OP Adv Settlement"
•Org. Doc. #: Use **Original Establishing** DV eDoc #
•Accounting Lines:
From: UA – Establishing Account – Object Code 8310
To: UA – Establishing Account – Expense Object Code
Amount MUST match original advance amount

Settling an Operational Advance With Cash/Check & Receipts

Cash/Check Portion

•Cash Receipt (CR)
•Description: "Op Adv Settlement"
•Org. Doc. #: Use **Original Establishing** DV eDoc #
•Account: Use establishing account
•Object Code: 8310
•Amount should be equal to original advance amount minus receipt amount

Receipts Portion

•Distribution of Income & Expense (DI, YEDI)
•Follow the instructions for "Settling an Advance with *Just* Receipts"
•The "From" and "To" lines will **ONLY** be for the amount of the receipts, **NOT** the original advance amount
•Reference the CR eDoc # in the Notes & Attachments

Settling an Operational Advance that was Overspent

To Clear Advance Amount

Distribution of Income & Expense (DI, YEDI)
•Follow the instructions for "Settling an Operational Advance with *Just* Receipts"
•Amount should be equal to original advance amount
•Reference the DV eDoc # in the Notes & Attachments
- (see below for Receipt attachment)

Reimbursement for Receipts Greater than Advance Amount

COPY original DV (ties the docs together)
•Description: "Reimburse Op Adv Request"
•Org. Doc. #: Use **Original** Establishing DV eDoc #
•Payment Reason Code: ***E – Expense Reimbursement***
•Payee Type: Employee
•Due Date: Date funds needed
•Account: Use any account expense is allowable
•Object Code: Use appropriate expense code to match the receipts
•Amount should be equal to receipts greater than original advance amount
•Invoice Number: "EXPREIM+ <Oldest receipt date>"

Financial Services

Documentation of Expenditures

Documentation

- The Approved Recipient completes the Operational Advance Expenditure Record or an equivalent expense summary form as funds are disbursed and collects all original receipts.

- Payments to individuals, for example subject pay, require each payee's name legibly written or typed. If the individual is paid in cash, or cash equivalent (e.g. prepaid card) instead of by check, the subject must sign to acknowledge receipt.

- If a subject receives more than $50 in a calendar year, whether in a single or multiple disbursements, the University MUST also obtain a Social Security Number and address.

Documentation

- Payments to nonresident aliens are governed by policy 9.16 Payments to Nonresident Aliens, which contains detailed information about payments allowed and documentation required. Refer to policy 9.16 before payment is made to or on behalf of a nonresident alien as some visa types do not allow payments. For additional details on specific situations please contact Tax Services.

- If the research project is a confidential study, it is not necessary to identify the human subjects by name or SSN. However, an NIH Certificate of Confidentiality (CoC) or other substantiating document must be provided and the total University wide payment to any individual participating in a confidential study must be less than $600 in a calendar year. The principal investigator should maintain the disbursement record on file and make it available upon request. https://grants.nih.gov/policy/humansubjects/coc.htm

Documentation

- Receipts can be attached to DVs for replenishment and settlement
- Receipts should not be attached to DIs for settlement

Tracking Open Operational Advances

Financial Services

Operational Advance Dashboard

- FNSV / SPCS track Operational Advances in a shared Excel document
- Excel document will be loaded into Analytics nightly and merged with additional data fields to create the Operational Advance Dashboard
- FNSC / SPCS will reconcile shared Excel document monthly

Operational Advance Agents

- Notice of Upcoming Operational Advance Settlement Date
- Notice of Past Due Operational Advance

Resources

9.15 Operational Advance

Home / Financial Services Manual / 9.00 Expenditure Policy and Procedures / 9.15 Operational Advances /

FSM 9.15 Operational Advances

View | Revisions

Last Revised Date: Wednesday, February 17, 2021 - 11:14 am

Policy Information

Policy Number: 9.15	**Effective Date:** 8/5/1998
Responsible Unit: Financial Management	**Last Revised Date:** 4/8 /2021
Phone: 520-621-9097	**Email:** fin-mgmt@fso.arizona.edu

Purpose and Summary

This policy and procedure outline the requirements to establish, monitor, replenish and settle an Operational Advance. Operational Advances are provided to authorized University employees, graduate students, or Designated Campus Colleagues (DCCs) with Affiliate or Associate status working under the supervision of an Authorized Supervisor for expenses such as group travel, field research, payments to research subjects in approved psychological/medical experiments, and various other circumstances where it is not practical to use the campus purchasing and payment system. The Operational Advance may not be used for individual travel purposes. In accordance with **14.11 Travel Funding**, Travel Advances for individual approved trips are issued to the traveler.

Source

University Policy, including but not limited to **Misuse of University Assets Policy Number 420-0**
Internal Revenue Code

Scope

This policy applies to all University locations and units, including all University extensions, satellite locations, and off-site campus units, both domestic and international.

https://policy.fso.arizona.edu/fsm/900/915

Financial Services

Roles and Responsibilities / Quick Reference

Operational Advance

Refer to **Policy 9.15 Operational Advances** for additional information.

SHOW ALL

Roles and Responsibilities (Flowcharts)

- Establishing an Operational Advance
- Replenishing an Operational Advance
- Settling an Operational Advance

Quick Reference (UAccess Financials)

- Establishing an Operational Advance
- Replenishing an Operational Advance
- Settling an Operational Advance with *Just* Receipts
- Settling an Operational Advance with Cash/Check and Receipts *(Payee owes University money)*
- Settling an Operational Advance that was Overspent *(University owes Payee Money)*
- Additional Notes

https://www.fso.arizona.edu/financial-management/op-advance

Operational Advance Record of Expenditures

Financial Services Office

https://www.fso.arizona.edu/forms/o

Page 1 of ____

RECORD OF OPERATIONAL ADVANCE EXPENDITURES

Date of Expense	Payee Name	Payee SSN	Payee Address, City, State, Zip	Signature of Payee for Cash/Gift Card Received	Amount Received
NOTE: Due to security sensitive data contained on this form it **MUST** be maintained in a secure location.				TOTAL PAGE ______	$ -

*The above expenditures were necessary and allowed for the benefit, objectives and provisions of this project in accordance with University and sponsor.

Operational Advance Dashboard

URL "Top Secret" for the moment

Fund Accountants

Financial Services at:
FSOFundaccountants@email.Arizona.edu

Or

Sponsored Projects at:
SPCS-OpAdv@email.arizona.edu

QUESTIONS & DISCUSSION

Q&A from Operational Advance Discussion

Q: How can we enforce DCCs paying back operational advances?

A: DCCs can lose their status as a DCC for failure to pay back operational advances. They can also face legal consequences depending on the circumstances.

Q: Is the timing one year from the date of the advance? Or by fiscal year?

A: One year from the date of the advance.

Q: It concerns us that extensions can't be done now. Requesting new ones for outgoing research can pose potential delays to the research. Why are extensions no longer granted?

A: We moved away from extensions because they were a manual process and the Custodial Agreement (formerly the Promissory Note) was not being updated to reflect new settlement dates. It also made it very challenging to monitor advances and identify which advances were past due.

Q&A from Operational Advance Discussion

Q: Who needs to sign the forms for "Department Leadership"?

A: We know it can vary by department as to who should approve, so we left "department leadership" vague to allow each department the flexibility needed to determine that.

Q: When paying for labor in foreign countries using local people (example: field workers) from that country and using funds from an operational advance, what documents are required to serve as a receipt? Do we need to add the substantial presence form?

A: With the exception of laborers receiving small dollar amounts where filling out the form is a detriment to the project or getting individuals to perform required services, it is best business practice for individuals performing services outside the US to complete a substantial presence form.

Q&A from Operational Advance Discussion

Q: Many of our awards are 5 years but awarded in yearly increments. This would be a burden to have to request 5 operational advances for those accounts. What would be the new process? Close out and start up new ones?

A: If your recipient has less than $10k out on an operational advance, you could conceivably do the paperwork for the new advance a month in advance of the settlement of the old advance so you would not have interruption and would be able to pay human subjects.

Q: Are revolving operational advances going away?

A: We never truly had revolving advances, it’s just that they were extended on a regular basis. However, you can replenish advances periodically by submitting receipts to obtain additional funds up to the original amount of the original Operational Advance. Replenishment does not settle an advance and is still an option under the revised policy.

Q&A from Operational Advance Discussion

Q: For advances that are currently in place when we reach the end of our period of performance, which will be our grant year, are we going to be required to set up new ones for the new period or are we able to still extend those (are they grandfathered in)?

A: They should be settled and new ones established under the revised policy. (No grandfathering.)

Q: What if IRB forms are not received on time?

A: If something is for human subjects related payments, no work should commence or expenses incurred on sponsored research until an IRB protocol has been approved by the IRB committee or the letter has been received from the IRB committee stating that the project is exempt. We really should have those forms before we're issuing any payments.

SRA International LevelUP Program Update

SRA International LevelUP

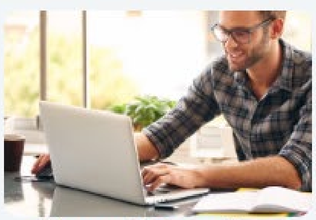
Earn continuing education credit and digital badges for demonstrating competency/mastery in Research Administration

Principles of Pre-Award Research Administration

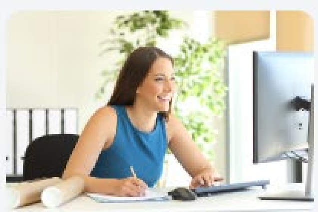
Principles of Award Negotiation and Set-up

Principles in Research Development

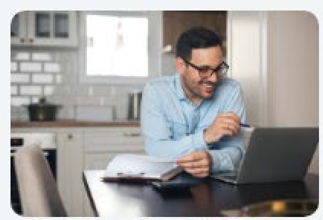
Principles in Proposal Development



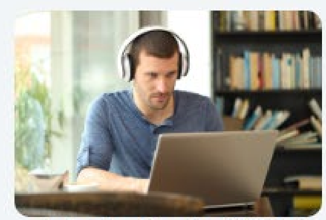
Research Compliance Frameworks



Principles of Post-Award Financial Research Administration



Relationships, Roles, and Responsibilities in Research Administration



Introduction to Clinical Research Management: Clinical Studies and Trials

If interested in participating, email shana@email.arizona.edu.

Announcements/
Information Sharing

Tuition Calculator Update!

Updated to include Fall 2021 tuition and fee rates

	Semester	***Annual***
0.50 GRA	$6,053	$12,106
0.25 GRA	$3,026.50	$6,053

https://tuitioncalculator.fso.arizona.edu/#/

Research
Innovation & Impact

Research Support Services Orientation

May 19-20 from 1:00pm to 3:00pm

Full Agenda at:
https://rgw.arizona.edu/sites/default/files/agenda_-_rii_research_support_orientation_-_may_2021.pdf

Register at:
https://arizona.sabacloud.com/Saba/Web_spf/NA7P1PRD161/app/me/learningeventdetail/cours000000000003462

NSF Virtual Conference 2021

Don’t miss NSF’s Spring 2021 Virtual Grants Conference!

5 days, **June 7 – 11**, starting at 1:00pm EDT/10:00am MST

Sessions on:

- NSF Overview
- Proposal Preparation
- Merit Review, Award Management
- CAREER
- Various Directorates
- Promoting & Protecting US Science & Engineering
- Proposal & Award Policy Q&A

https://nsfpolicyoutreach.com/

NACUBO 2021 Annual Meeting

THE UNIVERSITY OF ARIZONA
Financial Services

National Association of College and University Business Officers

NACUBO

To: University Business Offices

From: Financial Services

Subject: NACUBO 2021 Annual Meeting

The National Association of College and University Business Officers (NACUBO) is offering a group registration for the NACUBO 2021 Annual Meeting. The institutional group rate has been paid for by Business Affairs is now available for use by the university community. The meeting will be held virtually July 27 to 30, 2021. This is a great professional development opportunity for higher education professionals.

If you would like to take advantage of this opportunity, please follow these instructions:

1. Visit the NACUBO website and click *Register Now* under the Member group tile
2. Log in or create your NACUBO account, please use your official @arizona.edu email address.
3. Select *Individual Registration*
4. Select *Member Group* under the event tile ($0.00)
5. Complete the checkout process

NOTE: You will be prompted to enter your credit card information. Per NACUBO, this will NOT charge your card, it is just a holder.

For questions or assistance, please contact Ashley Scott at bass-admin@ba.arizona.edu.

https://www.nacubo.org/Events/2021/NACUBO-2021-Annual-Meeting

WACUBO 2021 Annual Meeting

THE UNIVERSITY OF ARIZONA
Financial Services

WACUBO VIRTUAL ANNUAL CONFERENCE MAY 24-26,2021

To: University Business Offices

From: Financial Services

Subject: WACUBO 2021 Virtual Annual Conference

The University of Arizona Business Affairs office has pre-purchased a group registration for all University of Arizona employees to attend the Western Association of College and University Business Officers (WACUBO) 2021 Annual Conference. The conference will be held virtually on May 24-26, 2021. This is a great professional development opportunity for higher education professionals.

If you would like to take advantage of this opportunity, please contact Ashley Scott at bass-admin@ba.arizona.edu to obtain a unique authorization and registration instructions.

https://conference.wacubo.org/

Future Forum Topics?

Suggest/request future forum topics
Send an email to shana@arizona.edu

Present a topic!
Share research administration tools (reports, agents, forms, templates, etc.)

Lessons learned

Tips & Tricks

Upcoming Changes

Information gained from conferences/workshops/webinars

QUESTIONS?

CONCERNS?

OPEN SHARE