

Office of Sponsored Programs Procedure for Federal Drawdowns

The University of Arkansas, Fayetteville's Office of Sponsored Programs, is responsible for preparing and performing cash drawdowns for federally sponsored programs. Under the terms of certain awards with various federal agencies, the university requests to drawdown funds via electronic web-based systems. Federal sponsoring agencies such as NSF, NIH, NASA, Department of Energy, etc., authorize funds for Sponsored Programs which support the expenditures incurred in relation to the awards granted to the University.

The Office of Sponsored Programs completes drawdowns of federal funds on at least a monthly basis or as required by the federal granting agency. The drawdown process is performed by the Research Accounting team within the Sponsored Programs Office by the Billing Specialists.

The Drawdowns are managed and completed within Workday, the University's Financial System. On at least a monthly basis, the Billing Specialist is responsible for running the Federal Draw processes in Workday. The process includes utilizing the "Create Invoices for Cost Reimbursable Award Transactions" by federal sponsor to determine which expenditures are ready to be invoiced to the sponsor. These invoices represent unbilled expenses for the Sponsored Programs which were electronically work flowed and approved in Workday. The invoices are then exported to an excel spreadsheet and reconciled with the sponsor's specific portal and a high-level cursory review is completed to ensure that the expenditure does not exceed the funds authorized by the sponsor.

Upon completion of the reconciliation, the Billing Specialist then submits the "Record Letter of Credit of Draw Down" which notifies the Associate Director, Research Accounting and the Director of Post Award that the drawdown is available for review and approval. The drawdown is reviewed and approved by one of these individuals which will trigger a notification to the Cash Management Office that a drawdown has been initiated and will notify the Billing Specialist of the approval to complete the request in the sponsor's portal. Upon receipt of the funds in the University's bank account, the Cash Management Office will record a comment on the drawdown in Workday, noting the date and amount received and submits back to the Billing Team. The Billing Specialist will then enter the date and amount received and approve the application which applies the payment to the outstanding invoice for each award. A final review of how the application was applied is then completed by the Billing Specialist, if any adjustments are required, they will adjust the application accordingly.

Responsibilities

Principal Investigator

- Principal Investigators (PIs) take primary responsibility for ensuring compliance with sponsor regulations as well as the monitoring of expenditures, timely correction of errors, and proper allocation of expenses.
- All transactions on sponsored programs should be authorized by the PI or a delegate who has direct scientific knowledge of the program being charged.

Department/School/College Administrators (individuals responsible for account monitoring and management)

- Assist PIs with the timely review and reconciliation of expenditures and prepare/approve cost transfers in Workday.
- Maintain adequate documentation of costs and cost transfers.
- Ensure appropriate internal controls are in place for the appropriate allocation of costs to sponsored programs.
- Ensure costs are allocable, allowable, and reasonable, and are prepared and submitted in a timely manner.

Office of Sponsored Programs (OSP)-Award Managers

- Exercises stewardship over sponsored projects in accordance with specific award terms and conditions and sponsor/university policies.
- Performs a high-level review to approve all Letter of Credit drawdowns.
- Monitors the release of funds authorized by federal sponsors.
- Executes and manages all Letter of Credit to maximize cash flows for the University relating to Sponsored Programs.
- Advises PI, Department, and College Dean's Office on appropriate costing practices for Sponsored Programs.
- Ensure compliance with federal cash management requirements.

Please note that the distribution of these responsibilities may be shared or delegated differently across campus depending on organizational structure and staffing at the PI/designee and/or school/college level.