Financial Review Checklist

Activity Trainings
Review Sponsored Award Balances
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In this training, we will be covering the Financial Review Checklist step **Review Sponsored Award Balances**. We will be walking you through the step’s **Objective**, **Focus On**, and, with a particular focus on, the **Workday Reports**.

The walkthrough of the reports will include:

- The parameters used to run the report in Workday.
- The results that you would expect to see.
- How the report should be used in your analysis to operationally finish the objective of the step.
• **Accelerated Spending**
  • Accelerated spending occurs when the sponsored agreement is expended at a rate that would cause the award to be out of funding before the programmatic objectives of the award have been met.

• **Decelerated Spending**
  • Decelerated spending occurs when the sponsored agreement is expended at a rate that would cause the award to have a material unspent balance when the award runs out of time. Decelerated spending may be an indicator that the programmatic objectives of the award will not be met during the project period.

• **No-Cost Extension**
  • A no-cost extension is a revision to the award documents granting additional time without additional funds.
Financial Review Checklist
Activity Details
Review Sponsored Award Balances Step

**Objective**
To ensure accelerated and decelerated spending are identified, to confirm that a no-cost extension request or the appropriate carryover process is followed, and account deficits are cleared.

**Focus On**
1. Accelerated spending, including putting plans in place to ensure achievement of programmatic objectives.
2. Decelerated spending, including requesting a no-cost extension or carryover to the next competitive segment.
3. Investigate account deficits and take appropriate action.
4. Transactions that require adjustments based on results of review.

**Workday Reports**
Accelerated/Decelerated Spending on Awards - Yale

**Related Resources:** Procedure 1101 PR.02 Financial Transaction Review and Budget Monitoring, Policy 1301 Financial Reporting and Closeout, Policy 1305 Cost Transfers Involving Sponsored Projects
Workday Parameters
1) Type *Accelerated/Decelerated Spending on Awards* – Yale into the Workday Search Bar.
2) Company: Yale University
3) Cost Center Hierarchy: Results will automatically limit based on your security.
4) Period: the last closed month.
5) Award Lifecycle Status (JL): Active, At Risk
6) Award Lifecycle Status (CL): Active, At Risk
7) Then click “Ok” at the bottom to submit the report.
You can either work within Workday and use the column filters or you can export the data to Excel for analysis. If you have a large list of sponsored awards, it may be useful to download to Excel to track status and follow-up based on research performed. The next slides will show you how to use Workday and Excel for your analysis.

You may use these column filters to manipulate your data within Workday.
Analysis – Workday & Excel
Columns to Focus On:

- **Remaining Balance**: Deficits shown here are actual deficits of funding relative to spending.

- **Award End Date**: If deficits shown in the Remaining Balance column have an Award End Date that has passed or is very near, additional time and funding will be necessary or the deficit will need to be cleared to a non-sponsored departmental account.

- **Phase**: Use this column to sort awards by *Ongoing, Ending within 6 Months, Ending within 90 Days, or Ended.*

- **% of Time Remaining/% of $ Remaining**: These columns can be used together to examine whether the rate of actual spending (burn rate) exceeds or lags the time left on the award.
## Analysis - Examples

*Items to review to complete this step*

### Actual deficit

<table>
<thead>
<tr>
<th>Phase</th>
<th>Award</th>
<th>Award Principal Investigator</th>
<th>Award End Date</th>
<th>Award Lifecycle Status</th>
<th>Authorized Amount</th>
<th>Award Budget Through Current Budget Period</th>
<th>Funding Amount</th>
<th>Expenses</th>
<th>Remaining Balance</th>
<th>Months Remaining on Award</th>
<th>% of Time Remaining</th>
<th>% of $ Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending within 90 Days</td>
<td>12/31/2020</td>
<td>Active</td>
<td>100,000.00</td>
<td>100,001.00</td>
<td>100,000.00</td>
<td>106,937.26</td>
<td>(6,937.26)</td>
<td>0</td>
<td>8</td>
<td>0.00%</td>
<td>(6.94%)</td>
<td></td>
</tr>
</tbody>
</table>

### Underspending where an extension or carryover request may be necessary

<table>
<thead>
<tr>
<th>Phase</th>
<th>Award</th>
<th>Award Principal Investigator</th>
<th>Award End Date</th>
<th>Award Lifecycle Status</th>
<th>Authorized Amount</th>
<th>Award Budget Through Current Budget Period</th>
<th>Funding Amount</th>
<th>Expenses</th>
<th>Remaining Balance</th>
<th>Months Remaining on Award</th>
<th>% of Time Remaining</th>
<th>% of $ Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending within 6 Months</td>
<td>05/31/2021</td>
<td>Active</td>
<td>11,000.00</td>
<td>11,000.00</td>
<td>11,000.00</td>
<td>4,524.88</td>
<td>6,475.12</td>
<td>5</td>
<td>47</td>
<td>10.64%</td>
<td>(58.86%)</td>
<td></td>
</tr>
</tbody>
</table>

### Overspending where additional funding or immediate reductions in spending may be necessary

<table>
<thead>
<tr>
<th>Phase</th>
<th>Award</th>
<th>Award Principal Investigator</th>
<th>Award End Date</th>
<th>Award Lifecycle Status</th>
<th>Authorized Amount</th>
<th>Award Budget Through Current Budget Period</th>
<th>Funding Amount</th>
<th>Expenses</th>
<th>Remaining Balance</th>
<th>Months Remaining on Award</th>
<th>% of Time Remaining</th>
<th>% of $ Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>07/31/2021</td>
<td>Active</td>
<td>324,870.00</td>
<td>324,871.00</td>
<td>324,870.00</td>
<td>321,386.81</td>
<td>3,483.19</td>
<td>7</td>
<td>31</td>
<td>22.58%</td>
<td>1.07%</td>
<td></td>
</tr>
</tbody>
</table>
Analysis – Workday
To find accelerated spending based on past performance, sort the percentage of dollars remaining smallest to largest. Look for awards where the dollars remaining are small compared to the time remaining. These awards may be headed toward a deficit since the rate of spending exceeds the time elapsed.

Click on the column header “% of $ Remaining” and select Sort Ascending.
Analysis - Workday

Focus On Step #2: Decelerated spending

- To find decelerated spending based on past performance, sort the percentage of dollars remaining largest to smallest. Look for awards where the dollars remaining are large compared to the time remaining. If this trend continues, these awards may end with unspent funds since the time elapsed exceeds the rate of spending.
- Click on the column header “% of $ Remaining” and select Sort Descending.

Know your department! There could be reasons why spending lags. For example, summer salary has not yet occurred during the award period.
• To review actual deficits, sort the remaining balances smallest to largest. Look for awards where the expenses exceed funding.

• Click on the column header “Remaining Balance” and select Sort Ascending.
Analysis - Excel
To find accelerated spending based on past performance, sort the percentage of dollars remaining smallest to largest. Look for awards where the dollars remaining are small compared to the time remaining. These awards may be headed toward a deficit since the rate of spending exceeds the time elapsed.

% of $ Remaining: Apply filter to sort smallest to largest.
To find decelerated spending based on past performance, sort the percentage of dollars remaining largest to smallest. Look for awards where the dollars remaining are large compared to the time remaining. If this trend continues, these awards may end with unspent funds since the time elapsed exceeds the rate of spending.

Focus On Step #2: Decelerated Spending

% of $ Remaining: Apply filter to sort largest to smallest.
To review actual deficits, sort the remaining balances smallest to largest. Look for awards where the expenses exceed funding.

**Remaining Balance:**
Apply filter to sort smallest to largest.
Follow-up Actions
You should investigate the cause of deficits, accelerated spending, and decelerated spending.

- Deficits and accelerated spending can be caused by charging errors. Correcting the transactions may relieve the deficit or accelerated spending. Cost transfers must comply with Policy 1305 PR.02.
- Deficits can be caused by unallowable costs. Such transactions must be removed in accordance with Policy 1305 PR.04.
- Actual deficits must be relieved in accordance with Policy 1301.
- Accelerated or decelerated spending may require an adjusted spending plan. It may be useful to review the commitments and obligations that exist on the award to determine the extent of the projected shortfall. Either FAB or the Account Holder Report can be useful in this review.
- When updating spending plans to account for projected deficits or remaining balances, consult with the PI to ensure that the programmatic objectives of the award will still be met under the new plan.
- Work with OSP when requesting additional installments, no-cost extensions, or residual balance transfers.
• **Office of Sponsored Projects** *(Includes postaward and preaward contacts)*  
  - *Contacts Page*, 203-785-4689  

• **Interpretation of policy**: *Office of the Controller*  
  - controllers.office@yale.edu  

• **Training Related Questions**: *Financial Compliance*  
  - financial.compliance@yale.edu