Understanding the PTAE0 and How It’s Used for Sponsored Projects

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The goals of this session are:

- To provide a quick review of the Chart of Accounts (COA) structure at Yale
- To provide specific knowledge about COA for sponsored projects
- To impart knowledge and hints on uses and linkage of the PTAEO
- To provide you with helpful resources
Definition:

The Chart of Accounts (COA) is a set of codes used to classify and record financial transactions in meaningful ways. (COA Handbook)
What is the Chart of Accounts (COA)?

Yale’s COA structure was designed to:

- **Identify** where the money is coming from
- **Specify** where funds are budgeted & being expended
- **Record** the transactions related to those funds
Why is the COA Important?

Provides structure for Financial Management and Reporting

- Planning (budgeting)
- Recording and tracking
- Monitoring
- Internal reporting
- External reporting and compliance
What does PTAEO stand for? It’s the charging instruction and it’s made up of five segments. They include:

- **(P)**roject: indicates the activity for which money is used. ("why")
- **(T)**ask: is a subset of project. ("why")
- **(A)**ward: indicates the source of the money. ("funding")
- **(E)**xpenditure Type: indicates the accounting category. (e.g., asset, liability, revenue, expense) ("what")
- **(O)**rganization: indicates the Yale organization using/overseeing/responsible for the money. ("who")
COA for Sponsored Projects

- (A)ward
- (P)roject
- (T)ask
- (O)rganization
- (E)xpenditure Type
Award – for Sponsored Projects

- The leading segment of PTAEO for sponsored projects
- Establishment is due to an external sponsor award
- The first character (alpha) signifies a specific sponsor or sponsor type (Note: W and 44 awards are not classified as sponsored project accounts and are managed by YSM Financial Operations; W and 44 awards are YSM awards only)
- Award attributes (e.g., start and end date, F&A rate, funding amount...) are entered into OGM based on the award document
- Regulatory and financial compliance, award funding, cash receipts, cost sharing, expended effort and external reporting are all managed at the Award level
- Sponsor award # and the Yale Award # may not match one to one
- When is a new Award # assigned for each budget period?
  - If carryover requires sponsor approval
  - If the sponsor’s reporting requirements would warrant a new Award (e.g., many State of CT awards)
Used to identify a specific activity or program which is funded by one or more sponsored awards

Each Award must have at least two Project #’s
- One Project # for charging expenses
- Another Project # 0300017 for recording cash receipts (This project should only be used by OSP, University Treasury or YSM Treasury.)

Budgeting and reporting can be managed at the Project level (but NOT at the Task level)

Multiple Project numbers may be set-up and linked to one Award number to manage:
- Program projects / Center grants / Multidisciplinary grants
- Sponsored awards to multiple PIs or co-PIs

Other uses of the Project segment that are unique to sponsored awards:
- Identification the type of Cost Sharing and linkage
- Identification of Effort Reporting requirement
(T)ask – for Sponsored Projects

- Serves as a sub-Project (subcategories of activities)
- The default Task for all sponsored projects is “1” (vs. “00” for operating projects). Task 1 is set-up automatically with each sponsored Project.
- Additional Tasks may be added upon request (Use PTAEO maintenance forms).
- Unlike Project, funding cannot be allocated/budgeted at the Task level, therefore its usage is more limited than Project.
- While Project is linked to an Award, Task is linked to a Project.
- Start and end dates of Task usually are the same as the Project.
- Example of Task usage: to group expenses by budget/reporting category to avoid manual mapping.
Expenditure Type– for Sponsored Projects

- An important element to consider when preparing a proposal budget
- It is the accounting category for the proper recording of accounting transactions and financial reporting
- Use ET beginning with 7, 8 or 9 (for expenses) to charge sponsored project account
- Income/revenue (ET beginning with 4 or 5) for a sponsored project account is recorded by a central process called “Revenue Recognition” as expenses are posted. (This is different from W and 44 Awards.)

**Note:** Never use ET beginning with 4 or 5 to record cash receipts to sponsored Award. Sponsor payments are recorded centrally with the following unique PTAEO:
- 0300017.00.Award #.031102.527012 for federal funding
- 0300017.00.Award #.031202.527012 for non-federal funding

- Expenditure type is subject to:
  - F&A costs assessment
  - Allowed Cost Schedule validation
  - Special F&A costs threshold
Organization – for Sponsored Projects

- Org is a required data element when setting up Award and Project.
- Award owning Org is the fiscal oversight unit that processes and reviews financial transactions made to the Award.
- Award owning Org is entered on TranSum or in IRES Proposal Development at the proposal stage and carried through to the Award setup in OGM.
- A sponsored Award may be linked to multiple Projects and each Project may be linked to multiple Orgs (Note: there is no linkage between Task and Org or Award and Org).

Example of a charging instruction: 1069270.1.R11243.821000.721086

<table>
<thead>
<tr>
<th>Project.</th>
<th>Task.</th>
<th>Award.</th>
<th>Expend Type.</th>
<th>Org</th>
</tr>
</thead>
<tbody>
<tr>
<td>1069270</td>
<td>1</td>
<td>R11243</td>
<td>821000.</td>
<td>721086</td>
</tr>
</tbody>
</table>

Clinical Evaluation Report
"WHY"

General
"WHY"

MedPass International
"FUNDING"

Supplies-Office.
"WHAT IS IT?"

Internal Medicine
"WHO"
Sponsored Project’s PTAO Management

- PTAO for sponsored projects are setup and maintained by the OGM setup unit of OSP (ogmsetup@yale.edu). Exception: P/T/A closeout is handled by OSP Accountants.

- New Award (including At-Risk Accounts) can only be set up after all applicable regulatory compliance requirements have been met (COI, IRB, IACUC) and approved by your OSP award/contract Manager.

- Request for additional Project, Task or any PTAO linkages after the initial setup of a sponsored account must be processed through the COA office. Complete the applicable PTAEO maintenance forms and submit it to coa@yale.edu. see Procedure 1304 PR.01 on Requesting and Modifying Sponsored Projects

- Request for Cost Sharing linkage must be supported by the Cost Sharing Approval Request form (except for salary over the cap requests) with the appropriate approval signatures
Sponsored Project’s PTAO Management

- Review the Sponsored Award (setup) Report (also called OGM Report) for accuracy
- Cost sharing PTAO is created by linking the sponsored Project # to an operating Award # and Org #.
- Be proactive and think end to end (from proposal budget to financial reporting)
- Do not link operating Project to sponsored Award (Cost sharing linkage is created by linking the sponsored project to an operating award)

- Do not recycle Project number after project activity ends

- Do not prepare budget at the Task level (system limitation: cannot allocate funds or run a report by Task)

- Do not use ET beginning with 4 or 5 to record income/revenue or cash receipts to sponsored project account

- Do not deposit sponsor payments. Payments should be deposited by OSP, YSM Treasury or University Treasury offices. (Guide 2801 GD.01 – Deposits of Sponsored Project Payments)
## Decoding the numbers

<table>
<thead>
<tr>
<th>Source Description</th>
<th>Source Group Code</th>
<th>Numeric Range</th>
<th>Source Definition - Award Naming Convention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sponsored Agreements</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal G&amp;C</td>
<td>SPAGR</td>
<td>42000 - 49999</td>
<td>Funds received from governmental agencies and other external institutions to be used in accordance with the provisions of the underlying grant or contract.</td>
</tr>
<tr>
<td>HHS - Letter of Credit Awards</td>
<td></td>
<td>42010</td>
<td>A; Stimulus Awards - AS</td>
</tr>
<tr>
<td>HHS - Non-Letter of Credit Awards</td>
<td></td>
<td>42020</td>
<td>B</td>
</tr>
<tr>
<td>National Science Foundation</td>
<td></td>
<td>42030</td>
<td>D</td>
</tr>
<tr>
<td>Department of Energy</td>
<td></td>
<td>42040</td>
<td>E</td>
</tr>
<tr>
<td>Department of Education</td>
<td></td>
<td>42050</td>
<td>F</td>
</tr>
<tr>
<td>Veterans Administration</td>
<td></td>
<td>42060</td>
<td>G (no longer used)</td>
</tr>
<tr>
<td>National Endowment for the Humanities</td>
<td></td>
<td>42070</td>
<td>H</td>
</tr>
<tr>
<td>Department of the Army</td>
<td></td>
<td>42080</td>
<td>J</td>
</tr>
<tr>
<td>Department of the Navy</td>
<td></td>
<td>42090</td>
<td>K</td>
</tr>
<tr>
<td>Department of the Air Force</td>
<td></td>
<td>42100</td>
<td>L</td>
</tr>
<tr>
<td>USDA</td>
<td></td>
<td>42110</td>
<td>M</td>
</tr>
<tr>
<td>NASA</td>
<td></td>
<td>42120</td>
<td>N</td>
</tr>
<tr>
<td>Other Federal Awards</td>
<td></td>
<td>42130</td>
<td>P</td>
</tr>
<tr>
<td>Federal Pass Thru Awards</td>
<td></td>
<td>42900</td>
<td>Q (new) or S</td>
</tr>
<tr>
<td><strong>Non-Federal G&amp;C</strong></td>
<td></td>
<td>43000 - 43999</td>
<td>First character is alpha and next 5 characters are numeric except for Stimulus Awards - see below</td>
</tr>
<tr>
<td>Other Non-Federal Awards</td>
<td></td>
<td>43010</td>
<td>R</td>
</tr>
<tr>
<td>State of Connecticut</td>
<td></td>
<td>43020</td>
<td>S</td>
</tr>
<tr>
<td>State of Connecticut Stem Cell Research</td>
<td></td>
<td>43021</td>
<td>S</td>
</tr>
<tr>
<td><strong>Non Federal Clinical Trials</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>44000</td>
<td>Begins with 44 then 3 numerics and the last is alpha</td>
</tr>
</tbody>
</table>
What does the numbering mean?

<table>
<thead>
<tr>
<th>Broad Master Ranges</th>
<th>Account Type &amp; Examples of Masters</th>
</tr>
</thead>
<tbody>
<tr>
<td>0xxxxx, 1xxxxx</td>
<td>Assets</td>
</tr>
<tr>
<td></td>
<td>01xxxx – Cash</td>
</tr>
<tr>
<td></td>
<td>08xxxx – Investments</td>
</tr>
<tr>
<td></td>
<td>13xxxx – Land, Buildings &amp; Equipment</td>
</tr>
<tr>
<td>2xxxxx</td>
<td>Liabilities</td>
</tr>
<tr>
<td></td>
<td>20xxxx – Accounts Payable</td>
</tr>
<tr>
<td></td>
<td>25xxxx – Bonds &amp; Notes Payable</td>
</tr>
<tr>
<td></td>
<td>29xxxx – Due To/From</td>
</tr>
<tr>
<td>3xxxxx</td>
<td>Fund Balances, Changes in Fund Balance &amp; Transfers</td>
</tr>
<tr>
<td></td>
<td>30xxxx – Fund Balances</td>
</tr>
<tr>
<td></td>
<td>35xxxx – Fund Transfers &amp; Other Increase/Decrease</td>
</tr>
<tr>
<td>4xxxxx, 5xxxxx</td>
<td>Revenue</td>
</tr>
<tr>
<td></td>
<td>4xxxxx – Income External</td>
</tr>
<tr>
<td></td>
<td>5xxxxx – Income Internal</td>
</tr>
<tr>
<td>7xxxxx</td>
<td>Expense - Salaries and Benefits</td>
</tr>
<tr>
<td>8xxxxx, 9xxxxx</td>
<td>Expense – Non Salary</td>
</tr>
<tr>
<td></td>
<td>8xxxxx and 9xxxxx – Non Salary</td>
</tr>
<tr>
<td></td>
<td>96xxxx – Internal Expense Allocation</td>
</tr>
</tbody>
</table>
Chart of Accounts website – [www.yale.edu/coa](http://www.yale.edu/coa)

- COA Handbook
- Useful Tools:
  - PTAE0 Request Forms
  - Expenditure Type Locator
  - PTAE0 Validator
Yale’s new Policy & Procedures website: [http://policy.yale.edu/](http://policy.yale.edu/)

**Finance: PTAEO Maintenance**

**Research Administration: Sponsored Projects Administration**

- Procedure 1304 PR.01 – Requesting and Modifying Sponsored Projects
- Procedure 1304 PR.02 – Distinguishing Between Gifts and Sponsored Awards
- Guide 1304 GD.01 – At Risk Accounts
- Policy 1306 – Cost Sharing on Sponsored Project
- Procedure 1306 PR.01 – Cost Sharing
- Policy 1308 – Program Income Associated with Sponsored Projects
- Guide 2801 GD.01 – Deposits of Sponsored Project Payments
Resources

- Presenter: Lan Virasak, Assistant Director, Financial Management, OSP – lan.virasak@yale.edu
- Chart of Account Support – COA@yale.edu
- OGM Setup Support – ogmsetup@yale.edu
- ITS Help Desk (for Data Warehouse report and Brio inquiries) – helpdesk@yale.edu or call 203-432-9000
- Chart of Accounts website – www.yale.edu/coa
- Yale’s Policies & Procedures – http://policy.yale.edu/